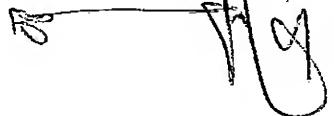


26 November 2010

Municipal Manager

WZybrands



I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in the notes of these annual financial statements are within the upper limits of the framework envisaged in Section 210 of the Constitution, read with the Remuneration of Public Officers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 66, in terms of Section 126(a) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2010

ANNUAL FINANCIAL STATEMENTS

OVERSTAND MUNICIPALITY

Index	Page
Statement of Financial Position	2
Statement of Financial Performance	3
Statement of Changes in Net Assets	4
Cash Flow Statement	5
Accounting Policies	6 - 18
Notes to the Financial Statements	19 - 58
Appendix A: Schedule of Extreme Loans	59
Appendix B: Analysis of Property, Plant and Equipment	60 - 61
Appendix C: Segmental analysis of Property, Plant and Equipment	62
Appendix D: Segmental Statement of Financial Performance	63
Appendix E(1): Actual versus Budget (Revenue and Expenditure)	64
Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)	65
Appendix F: Disclosure of Grants and Subsidies in terms of the Municipal Finance Management Act	66

Overstrand Municipality

Financial Statement for the Year ended June 30, 2010

Statement of Financial Position

Assets	2010	Restated 2009	Figures in Rand
Notes	-	-	-
1 Investments	4,634,802	4,571,367	-
2 Other financial assets	10,000,000	-	-
3 Operational lease asset	744,064	754,993	-
4 Other financial assets	30,408,119	42,520,977	-
5 Trade and other receivables from exchange transactions	15,633,554	18,532,823	-
6 Other receivables from non-exchange transactions, including taxes and transfers	35,105,859	36,500,690	-
7 Consumer debtors	19,623,308	11,859,898	-
8 Long term receivables	31,363	110,099	-
9 Long term receivables	19,298,638	18,851,000	-
10 Non-current assets held for sale	3,120,343,971	3,091,749,896	-
11 Investment property	66,837,900	47,341,200	-
12 Property, plant and equipment	2,912,643,273	2,899,159,921	-
13 Intangible assets	2,577,277	2,360,000	-
14 Other financial assets	8,631,821	8,875,521	-
15 Long term receivables	173,993	311,407	-
16 Trade and other receivables from exchange transactions	73,540,770	98,698,442	-
17 Consumer deposits	13,893,478	11,379,540	-
18 Retailer deposit benefit obligation	1,759,872	1,064,897	-
19 Unspent conditional grants and receipts	1,922,016	2,894,370	-
20 Provisions	4,491,632	1,952,424	-
21 Other financial liabilities	171,488,108	103,132,935	-
22 Non-current liabilities	104,872,849	139,082,046	-
23 Current Liabilities	9,265,081	23,092,373	-
24 Trade and other payables from exchange transactions	73,540,770	98,698,442	-
25 Consumer deposits	13,893,478	11,379,540	-
26 Retailer deposit benefit obligation	1,759,872	1,064,897	-
27 Unspent conditional grants and receipts	1,922,016	2,894,370	-
28 Provisions	4,491,632	1,952,424	-
29 Other financial liabilities	171,488,108	103,132,935	-
30 Current Liabilities	9,265,081	23,092,373	-
31 Non-Current Liabilities	104,872,849	139,082,046	-
32 Total Liabilities	2,763,238,419	2,772,380,592	-
33 Net Assets	50	50	-
34 Reserves, Revaluation reserve	315,176,077	315,176,077	-
35 Housing development fund	1,918,403	3,328,676	-
36 Accumulated surplus	2,446,143,939	2,453,875,839	-
37 Total Net Assets	2,763,238,419	2,772,380,592	-

Oversstrand Municipality
 Financial Statements for the year ended June 30, 2010

Statement of Changes in Net Assets

Figures in Rand	Share capital / contributions from owners	Revaluation reserve	Housing development fund	Total reserves	Accumulated surplus	Total net assets
Opening balance as previously reported	- - -	- - -	- - -	3,317,403	3,317,403	422,745,979
Adjustments	- - -	- - -	- - -	3,317,403	3,317,403	426,063,382
Prior year adjustments	- - -	- - -	- - -	9,087,143	9,087,143	9,087,143
Restated balance at July 1, 2008	- - -	- - -	- - -	431,833,122	431,833,122	435,150,525
Changes in net assets	- - -	- - -	- - -	29,997,804	29,997,804	29,997,804
Surplus for the year	- - -	- - -	- - -	1,942,906,937	1,942,906,937	1,942,906,937
Prior period error - Unbundling of PPE	- - -	- - -	- - -	47,341,200	47,341,200	47,341,200
Change in accounting policy - Recognition of Non-current Assets held for sale	- - -	- - -	- - -	18,851,000	18,851,000	18,851,000
Landfill sites Rehabilitation Adjustment	- - -	- - -	- - -	(11,515,780)	(11,515,780)	(11,515,780)
Post Retirement Benefits adjustments	- - -	- - -	- - -	(7,366,234)	(7,366,234)	(7,366,234)
Cleaning up illegal dumping adjustments	- - -	- - -	- - -	1,915,999	1,915,999	1,915,999
Movement in self insurance fund	- - -	- - -	- - -	(78,465)	(78,465)	(78,465)
Transfer to Housing Development Fund	- - -	- - -	- - -	(11,273)	(11,273)	(11,273)
Revaluation and Recognition of land	- - -	- - -	- - -	315,176,077	315,176,077	315,176,077
Accounting errors	- - -	- - -	- - -	11,273	11,273	11,273
Total changes	- - -	- - -	- - -	315,176,077	11,273	315,176,077
Opening balance as previously reported	- - -	- - -	- - -	315,187,350	315,187,350	315,187,350
Adjustments	- - -	- - -	- - -	2,022,042,717	2,022,042,717	2,022,042,717
Prior year adjustments	- - -	- - -	- - -	1,529	1,529	1,529
Restated balance at July 1, 2009	- - -	- - -	- - -	315,176,077	3,328,676	2,022,042,717
Changes in net assets	- - -	- - -	- - -	265,574,077	3,328,676	2,337,230,067
Surplus for the year	- - -	- - -	- - -	268,902,753	268,902,753	2,624,033,990
Transfer to Housing Development Fund	- - -	- - -	- - -	49,602,000	49,602,000	49,602,000
Movement in self insurance fund	- - -	- - -	- - -	98,744,602	98,744,602	98,744,602
Total changes	- - -	- - -	- - -	315,176,077	3,328,676	2,453,875,839
Restated balance at July 1, 2010	- - -	- - -	- - -	318,504,753	318,504,753	2,772,380,592
Changes in net assets	- - -	- - -	- - -	(1,410,273)	(1,410,273)	(1,410,273)
Surplus for the year	- - -	- - -	- - -	(9,881,093)	(9,881,093)	(9,881,093)
Transfer to Housing Development Fund	- - -	- - -	- - -	1,419,540	1,419,540	1,419,540
Movement in self insurance fund	- - -	- - -	- - -	729,653	729,653	729,653
Total changes	- - -	- - -	- - -	(1,410,273)	(1,410,273)	(1,410,273)
Balance at June 30, 2010	315,176,077	1,918,403	317,094,480	2,446,143,939	2,763,238,419	2,763,238,419
Note(s)	50					

Cash Flow Statement

Receipts		Cash flows from operating activities	
121,922,911	116,200,501		
- Taxation			
294,028,467	221,015,936		
294,028,467	221,015,936		
- Sales of goods and services			
55,679,820	29,919,960		
55,679,820	29,919,960		
- Grants			
57,655,336	6,172,127		
- Other receipts			
(153,775,458)	(125,079,717)		
(78,005,898)	(69,353,373)		
(78,005,898)	(69,353,373)		
- Employee costs			
(221,533,519)	(160,017,519)		
(221,533,519)	(160,017,519)		
- Suppliers			
4,956,859	5,753,469		
4,956,859	5,753,469		
Interest income			
75,971,659	28,857,915		
35			
Cash generated from operations			
36,094,634	62,372,848		
Interest income			
729,653	(19,294,616)		
729,653	(19,294,616)		
Finance costs			
9,267	-		
9,267	-		
Prior period adjustments			
9,088,669	-		
9,088,669	-		
Transfers to self insurance fund			
(78,466)	(78,466)		
Finance costs			
36,094,634	62,372,848		
Cash flows from investing activities			
12	(84,059,831)	(127,304,912)	
12	(31,249,708)	(46,889,057)	
12	7,528,226	(331,290)	
12	7,528,226	(331,290)	
Construction of property, plant and equipment			
12	(31,249,708)	(46,889,057)	
12	7,528,226	(331,290)	
Purchase of property, plant and equipment			
13	(219,695)	-	
13	(219,695)	-	
Purchase of other intangible assets			
12	53,650,343	-	
12	(3,756,300)	-	
12	106,051	-	
12	118,215	-	
Movement in financial liabilities			
74,902,065	54,527,881		
74,902,065	54,527,881		
Movement in other financial liabilities			
1,158,618	2,513,938		
1,158,618	2,513,938		
Net cash from financing activities			
57,041,819	76,060,683		
57,041,819	76,060,683		
Total cash movement for the year			
7,763,410	(8,601,384)		
7,763,410	(8,601,384)		
Cash at the beginning of the year			
11,859,898	20,461,282		
11,859,898	20,461,282		
Net increase / (decrease) in cash and cash equivalents			
19,623,308	11,859,898		
19,623,308	11,859,898		

Figures in Rand

Notes 2010

2009

Financial statements for the year ended June 30, 2010

Overstrand Municipality

Annual Financial Statements.

4.3.3 Determined Benefit Plan Liabilities As described in Accounting Policy 15, the municipality obtains actuarial valuations of its defined benefit plan liabilities. The defined benefit obligation is determined by actuarial valuations of the defined benefit plan assets and the defined benefit plan liabilities. The estimated obligations of the municipality that were identified are Post-termination Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of IAS 19. Details of the service awards and the key assumptions made by the actuaries in estimating the liabilities are provided in Notes 18 and 20 to the financial statements.

of the assets are based on industry knowledge

4.3.2 Useful lives of Property, Plant and Equipment

is appropriate. Details of the impairment loss

1.3.1 Impairment of Financial Assets
Accounting Policy 10.1.5 on impairment of Financial Assets describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment of the financial assets, the management of the municipality considers the detailed criteria of impairment set out in IAS 39: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that the detailed criteria of impairment of financial assets as set out in IAS 39: Financial Instruments - Recognition and Measurement, ~~which are set out in IAS 39: Financial Instruments - Recognition and Measurement~~ is the best method to measure the impairment of the financial assets.

within the next financial year:

1.3 Sources of estimation uncertainty

actuarial valuations.

1.2.3. **Provisions and contingencies** *liabilities*
Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities set out in notes 20 and 37 respectively. Provisions are discounted where the effect of discounting is material using

¹⁴ The classification of financial assets and financial instruments is discussed in detail in the following section.

1.2.2 Financial assets and financial liabilities

has been rendered. The management of the

In making their judgment, management considered the detailed criteria for the recognition of revenue as set out in GRAP 3: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred the significant risks and rewards of ownership of the goods and when services is rendered, whether the service

exchange. Transactions describes the conditions the contract.

1.2.1 Revenue recognition from Exchange Transactions and Accounting Policy 12.2 on Revenue from Non-accrual

According to my Police and their wave the most

the following table. Below is a list of the critical judgments that have made in the process of applying the municipality's signifiant judgments.

A summary of the significant accounting policies

The TeleVastar Policy.

otherwise explicitly specified.

The accounting policies applied are consistent with those used to present the previous years' financial statements, unless otherwise decided by the Board.

These annual financial statements have been prepared in accordance with the effective Standards of General Accounting Practice (GAP), including any interpretations, guidelines and directives issued by the Accounting Standards Committee of the Institute of Cost Accountants of India.

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with

Presentation of Financial Statements

Accounting Policies

Financial Statements for the year ended June 30, 2010

Dverstrand Municipality

6.3 *Landfill sites*

The Municipality has an obligation to reabilitate its landfill sites in terms of its licence stipulations. Provision is made for this obligation in accordance with the Municipality's accounting policy on non-current provisions – see Accounting Policy 14 on Provisions.

6.2.3 *Incomplete construction work*

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

6.2.2 *Land*

Land is not depreciated as it is deemed to have an indefinite useful life.

6.2.1 *Heritage assets*

These are assets that are defined as culturally significant resources which are not depreciated owing to the uncertainty regarding their estimated useful lives.

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate.

Community	Improvements	Recreational Facilities	Security	Land
Community	Improvements	Recreational Facilities	Security	Land
Buildings	Specialist vehicles	Equipment	Equipment	Land
Other	Buildings	Specialized plant and equipment	Other plant and equipment	Land
30	30	30	20-30	10-15
30	20-30	15-20	15-20	15-20
30	20-30	15-20	15-20	15-20
30	30	30	30	30
30	30	30	30	30
Years	Years	Years	Years	Years

6.2 *Depreciation*

Depreciation is calculated on cost, using the straight line method, to allocate their cost to their residual values over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are initially based on the following originally estimated useful lives and thereafter on the estimated remaining useful lives as at year-end:

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the asset to its original best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended are examples of subsequent expenditure which is capitalised.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or non-monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item can not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous reversal.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in respect of that asset.

An increase in the carrying amount of land and buildings as a result of a revaluation is directly credited directly to a revaluation surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Accounting Policies

Financial Statements for the year ended June 30, 2010
Overshadowed Municipality

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the individual asset. If any such

Financial Performance as a gain or loss on disposal of property, plant and equipment.

The book values of assets are written off on disposal. The difference between the net book value of assets (cost less accumulated depreciation and accumulated impairment losses) and the sales proceeds is included in the Statement of Financial Performance.

6.4 **Disposal of property, plant and equipment**

6.5 **Impairment**

6.6 **Recognition**

6.7 **Intangible Assets**

6.8 **Amortisation and Impairment**

6.9 **Annual Review and Adjustment**

6.10 **Statement of Cash Flows**

6.11 **Statement of Changes in Equity**

6.12 **Statement of Comprehensive Income**

6.13 **Statement of Financial Position**

6.14 **Statement of Cash Flows**

6.15 **Statement of Changes in Equity**

6.16 **Statement of Comprehensive Income**

6.17 **Statement of Financial Position**

6.18 **Statement of Cash Flows**

6.19 **Statement of Changes in Equity**

6.20 **Statement of Comprehensive Income**

6.21 **Statement of Financial Position**

6.22 **Statement of Cash Flows**

6.23 **Statement of Changes in Equity**

6.24 **Statement of Comprehensive Income**

6.25 **Statement of Financial Position**

6.26 **Statement of Cash Flows**

6.27 **Statement of Changes in Equity**

6.28 **Statement of Comprehensive Income**

6.29 **Statement of Financial Position**

6.30 **Statement of Cash Flows**

6.31 **Statement of Changes in Equity**

6.32 **Statement of Comprehensive Income**

6.33 **Statement of Financial Position**

6.34 **Statement of Cash Flows**

6.35 **Statement of Changes in Equity**

6.36 **Statement of Comprehensive Income**

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6.67 **Statement of Changes in Equity**

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6.69 **Statement of Financial Position**

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6.71 **Statement of Changes in Equity**

6.72 **Statement of Comprehensive Income**

6.73 **Statement of Financial Position**

6.74 **Statement of Cash Flows**

6.75 **Statement of Changes in Equity**

6.76 **Statement of Comprehensive Income**

6.77 **Statement of Financial Position**

6.78 **Statement of Cash Flows**

6.79 **Statement of Changes in Equity**

6.80 **Statement of Comprehensive Income**

6.81 **Statement of Financial Position**

6.82 **Statement of Cash Flows**

6.83 **Statement of Changes in Equity**

6.84 **Statement of Comprehensive Income**

6.85 **Statement of Financial Position**

6.86 **Statement of Cash Flows**

6.87 **Statement of Changes in Equity**

6.88 **Statement of Comprehensive Income**

6.89 **Statement of Financial Position**

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6.91 **Statement of Changes in Equity**

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6.95 **Statement of Changes in Equity**

6.96 **Statement of Comprehensive Income**

6.97 **Statement of Financial Position**

6.98 **Statement of Cash Flows**

6.99 **Statement of Changes in Equity**

6.100 **Statement of Comprehensive Income**

6.101 **Statement of Financial Position**

6.102 **Statement of Cash Flows**

6.103 **Statement of Changes in Equity**

6.104 **Statement of Comprehensive Income**

6.105 **Statement of Financial Position**

6.106 **Statement of Cash Flows**

6.107 **Statement of Changes in Equity**

6.108 **Statement of Comprehensive Income**

6.109 **Statement of Financial Position**

6.110 **Statement of Cash Flows**

6.111 **Statement of Changes in Equity**

6.112 **Statement of Comprehensive Income**

6.113 **Statement of Financial Position**

6.114 **Statement of Cash Flows**

6.115 **Statement of Changes in Equity**

6.116 **Statement of Comprehensive Income**

6.117 **Statement of Financial Position**

6.118 **Statement of Cash Flows**

6.119 **Statement of Changes in Equity**

6.120 **Statement of Comprehensive Income**

6.121 **Statement of Financial Position**

6.122 **Statement of Cash Flows**

6.123 **Statement of Changes in Equity**

6.124 **Statement of Comprehensive Income**

6.125 **Statement of Financial Position**

6.126 **Statement of Cash Flows**

6.127 **Statement of Changes in Equity**

6.128 **Statement of Comprehensive Income**

6.129 **Statement of Financial Position**

6.130 **Statement of Cash Flows**

6.131 **Statement of Changes in Equity**

6.132 **Statement of Comprehensive Income**

6.133 **Statement of Financial Position**

6.134 **Statement of Cash Flows**

6.135 **Statement of Changes in Equity**

6.136 **Statement of Comprehensive Income**

6.137 **Statement of Financial Position**

6.138 **Statement of Cash Flows**

6.139 **Statement of Changes in Equity**

6.140 **Statement of Comprehensive Income**

6.141 **Statement of Financial Position**

6.142 **Statement of Cash Flows**

6.143 **Statement of Changes in Equity**

6.144 **Statement of Comprehensive Income**

6.145 **Statement of Financial Position**

6.146 **Statement of Cash Flows**

6.147 **Statement of Changes in Equity**

6.148 **Statement of Comprehensive Income**

6.149 **Statement of Financial Position**

6.150 **Statement of Cash Flows**

6.151 **Statement of Changes in Equity**

6.152 **Statement of Comprehensive Income**

6.153 **Statement of Financial Position**

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6.155 **Statement of Changes in Equity**

6.156 **Statement of Comprehensive Income**

6.157 **Statement of Financial Position**

6.158 **Statement of Cash Flows**

6.159 **Statement of Changes in Equity**

6.160 **Statement of Comprehensive Income**

6.161 **Statement of Financial Position**

6.162 **Statement of Cash Flows**

6.163 **Statement of Changes in Equity**

6.164 **Statement of Comprehensive Income**

6.165 **Statement of Financial Position**

6.166 **Statement of Cash Flows**

6.167 **Statement of Changes in Equity**

6.168 **Statement of Comprehensive Income**

6.169 **Statement of Financial Position**

6.170 **Statement of Cash Flows**

6.171 **Statement of Changes in Equity**

6.172 **Statement of Comprehensive Income**

6.173 **Statement of Financial Position**

6.174 **Statement of Cash Flows**

6.175 **Statement of Changes in Equity**

6.176 **Statement of Comprehensive Income**

6.177 **Statement of Financial Position**

6.178 **Statement of Cash Flows**

6.179 **Statement of Changes in Equity**

6.180 **Statement of Comprehensive Income**

6.181 **Statement of Financial Position**

6.182 **Statement of Cash Flows**

6.183 **Statement of Changes in Equity**

6.184 **Statement of Comprehensive Income**

6.185 **Statement of Financial Position**

6.186 **Statement of Cash Flows**

6.187 **Statement of Changes in Equity**

6.188 **Statement of Comprehensive Income**

6.189 **Statement of Financial Position**

6.190 **Statement of Cash Flows**

6.191 **Statement of Changes in Equity**

6.192 **Statement of Comprehensive Income**

6.193 **Statement of Financial Position**

6.194 **Statement of Cash Flows**

6.195 **Statement of Changes in Equity**

6.196 **Statement of Comprehensive Income**

6.197 **Statement of Financial Position**

6.198 **Statement of Cash Flows**

6.199 **Statement of Changes in Equity**

6.200 **Statement of Comprehensive Income**

6.201 **Statement of Financial Position**

6.202 **Statement of Cash Flows**

6.203 **Statement of Changes in Equity**

6.204 **Statement of Comprehensive Income**

6.205 **Statement of Financial Position**

6.206 **Statement of Cash Flows**

6.207 **Statement of Changes in Equity**

6.208 **Statement of Comprehensive Income**

6.209 **Statement of Financial Position**

6.210 **Statement of Cash Flows**

6.211 **Statement of Changes in Equity**

6.212 **Statement of Comprehensive Income**

6.213 **Statement of Financial Position**

6.214 **Statement of Cash Flows**

6.215 **Statement of Changes in Equity**

6.216 **Statement of Comprehensive Income**

6.217 **Statement of Financial Position**

6.218 **Statement of Cash Flows**

6.219 **Statement of Changes in Equity**

6.220 **Statement of Comprehensive Income**

6.221 **Statement of Financial Position**

6.222 **Statement of Cash Flows**

6.223 **Statement of Changes in Equity**

6.224 **Statement of Comprehensive Income**

Accounting Policies

Financial Statement for the year ended June 30, 2010

Overstrand Municipality

- Investment property is held to earn rental revenue or for capital appreciation or both.
- Investment property is carried at fair value, representing open market value determined annually. The valuations are not performed by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the performance or condition of the specific asset. Changes in fair values are recorded in the Statement of Financial Performance as part of other income.
- Where the classification of an investment property is based on management's judgment, the following criteria have been applied to distinguish investment properties from owner-occupied property held for resale:
- All properties held to earn market-related rentals or for capital appreciation or property held for resale:
- All properties held to earn rental revenue or more operating leases.
- A building owned and leased out under one or more operating leases.
- Leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held.
- A building that is held to be vacant but is held to be leased out under one or more operating leases.
- Properties.

Where the classification of an investment property is based on management's judgment, the following criteria have been applied to distinguish investment properties from owner-occupied property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or property held for resale:
- A building owned and leased out under one or more operating leases.
- Leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held.
- A building that is held to be vacant but is held to be leased out under one or more operating leases.
- Properties.

- The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.
- Non-current Assets and Disposal Groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current Assets (and Disposal Groups) classified as held-for-sale are measured at the lower of their previous carrying amount and fair value less costs to sell.
- The gain or loss on the eventual sale of non-current assets held for sale is included in the Statement of Financial Performance as gain or loss on sale of assets. The gain or loss on the eventual sale of non-current assets held for sale, is calculated on the difference between the net disposal proceeds and the carrying amount of the individual asset or the group of assets.
- Financial instruments are initially measured at fair value through profit or loss are financial assets that meet either of the following conditions:

10.1 **Financial assets at fair value through profit or loss**

A financial asset is any asset that is cash or contractual right to receive cash. The municipality classifies its investments in the following categories:

- Financial assets at fair value through profit or loss are financial assets that meet either of the following conditions:
- Financial assets at fair value through profit or loss are held for trading; or
- Upon initial recognition they are designated as at fair value through the Statement of Financial Performance.
- They are subsequently measured at fair value at the statement of financial position date with the profit or loss being recognised in the Statement of Financial Performance.
- Financial assets at fair value through profit or loss are financial assets that meet either of the following conditions:

The classification is dependent on the purpose for which the financial asset is acquired and is as follows:

- Loans and Receivables.
- Financial assets at fair value through profit or loss.
- Loans and Receivables.
- Held to maturity Investments and
- Financial assets available for sale.

10.1 **Financial Assets**

A financial asset is any asset that is cash or contractual right to receive cash. The municipality classifies its investments in the following categories:

Financial instruments are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:

- Financial instruments are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:
- The gain or loss on the disposal of non-current assets held for sale is included in the Statement of Financial Performance.
- The gain or loss on the eventual sale of non-current assets held for sale is recognised as the difference between the sales proceeds and fair value less costs to sell.
- Performance of classification. Non-current Assets (and Disposal Groups) classified as held-for-sale are measured at the lower of their previous carrying amount and fair value less costs to sell.
- Financial instruments are initially measured at fair value through profit or loss are financial assets that meet either of the following conditions:

10. FINANCIAL INSTRUMENTS

- Financial instruments are initially measured at fair value through profit or loss are financial assets that meet either of the following conditions:
- Financial instruments are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:
- The gain or loss on the disposal of non-current assets held for sale is included in the Statement of Financial Performance.
- The gain or loss on the eventual sale of non-current assets held for sale is recognised as the difference between the sales proceeds and fair value less costs to sell.
- Performance of classification. Non-current Assets (and Disposal Groups) classified as held-for-sale are measured at the lower of their previous carrying amount and fair value less costs to sell.
- Financial instruments are initially measured at fair value through profit or loss are financial assets that meet either of the following conditions:

9. NON-CURRENT ASSETS HELD FOR SALE

- The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.
- Non-current Assets and Disposal Groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current Assets (and Disposal Groups) classified as held-for-sale are measured at the lower of their previous carrying amount and fair value less costs to sell.
- The gain or loss on the disposal of non-current assets held for sale is included in the Statement of Financial Performance.
- Financial instruments are initially measured at fair value through profit or loss are financial assets that meet either of the following conditions:

- Financial assets at fair value through profit or loss are financial assets that meet either of the following conditions:
- Financial assets at fair value through profit or loss are held for trading; or
- Upon initial recognition they are designated as at fair value through the Statement of Financial Performance.
- They are subsequently measured at fair value at the statement of financial position date with the profit or loss being recognised in the Statement of Financial Performance.
- Financial assets at fair value through profit or loss are financial assets that meet either of the following conditions:

The classification is dependent on the purpose for which the financial asset is acquired and is as follows:

- Loans and Receivables.
- Financial assets at fair value through profit or loss.
- Loans and Receivables.
- Held to maturity Investments and
- Financial assets available for sale.

10.1 **Financial Assets**

A financial asset is any asset that is cash or contractual right to receive cash. The municipality classifies its investments in the following categories:

Accounting Policies

Overstated Municipalities

Financial Statements for the Year ended June 30, 2010

Loans and Receivables

10.1.2 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the municipality provides money, goods or services directly to a debtor without any intention of trading such debtors. Loans and debtors are included in the trade and other receivables in the statement of financial position and are subsequently measured at amortised cost using the effective interest rate method.

10.1.3 Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable dates of maturity which the municipality intend and are able to keep to maturity. They are included under non-current and current assets in the statement of financial position and are subsequently measured at amortised cost using the effective interest rate method.

10.1.4 Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and comprises of cash and equity instruments held in shares. They are included under non-current assets in the statement of financial position and are initially measured at fair value and subsequently measured at fair value market price in an active market, except for investments in equity instruments that do not have quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost.

10.1.5 Impairment of financial assets

An impairment is performed at each reporting date to determine whether objective evidence exists that a financial asset is impaired, such as the probability of insolvency or significant financial difficulties of the debtor. If there is such evidence the recoverable amount is estimated at each reporting date to determine whether objective evidence exists that a financial asset is impaired. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Consumer Debtors are stated at cost less a provision for bad debts. The provision is made so that the recoverability of Consumer Debtors is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. Government accounts are not provided for as such accounts are receivable.

With the exception of Available-for-Sale equity instruments, if, in a subsequent period, the amount of the impairment loss previously recognised can be related objectively to an event occurring after the impairment was recognised, the decrease and the decrease can be reversed through profit or loss are not carried forward to the statement of financial performance.

The carrying amount of trade receivables, where the carrying amount is reduced by the impairment loss through the use of an allowance account, is recoverable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of trade receivable is considered against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of financial performance.

With the exception of Available-for-Sale equity instruments, if, in a subsequent period, the amount of the impairment loss previously recognised can be related objectively to an event occurring after the impairment was recognised, the decrease and the decrease can be reversed through profit or loss are not carried forward to the statement of financial performance.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or recognised directly in equity.

In respect of Available-for-Sale equity securities, impairment losses previously recognised through profit or loss are not reversed through profit or loss are not carried forward to the statement of financial performance.

Accounting Policies

Financial statements for the year ended June 30, 2010

Overstated Municipality

10.2 **Financial Liabilities**
A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. There are two main categories of financial liabilities, the classification determining how they are measured. Financial liabilities may be measured at:

- Fair value through profit or loss; or
- Other financial liabilities at amortised cost

All financial liabilities including trade and other payables, are measured at amortised cost using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions) and trade and other payables (excluding provisions). Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs.

Finance charges, including premiums payable, are accounted for on an accrual basis. The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of a transferred liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

When Council approves the write-off of Financial Assets due to non recoverability.

Transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when the municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of a transferred liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

10.3 **Derecognition of financial assets and liabilities**
The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of a transferred liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Trade Payables and Other
Trade payables and other are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of a transferred liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

When Council approves the write-off of Financial Assets due to non recoverability.

Transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when the municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of a transferred liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

11. **INVENTORIES**
When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related income is recognised. Redundant and slow-moving inventories are identified and written down from cost to net realisable value is recognised. Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic realisable selling values. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable expenses. Differences arising on the valuation of any inventory are recognised in the Statement of Financial Performance in net realisable value or current replacement cost is reversed as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Cost of inventory comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition. Where inventory is manufactured, constituted or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related income is recognised. Redundant and slow-moving inventories are identified and written down from cost to net realisable value is recognised. Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic realisable selling values. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable expenses. Differences arising on the valuation of any inventory are recognised in the Statement of Financial Performance in net realisable value or current replacement cost is reversed as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

12. REVENUE RECOGNITION	
Overstrand Municipality	
Financial Statements for the year ended June 30, 2010	
Accounting Policies	
Revenue comprises the fair value of the remuneration received or receivable for the sale of services or goods in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, rebates, returns, rebates and discounts.	
The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.	
Revenue is recognised as follows:	
12.1 Revenue from Exchange Transactions	
12.1.1 Service Charges	
Service charges relating to electricity and water are based on consumption, based on a monthly history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recorded as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recognised as revenue monthly. Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to the number of refuse connections. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are employed during each property that has a water connection. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are employed during each property that has a water connection. Tariffs are determined on the date of purchase. The consumption of pre-paid electricity is measured by using a trend analysis and other historical data about electricity usage, including how often an electricity card is purchased or additional units of electricity loaded onto a pre-paid card.	
12.1.2 Pre-paid electricity	
Revenue from the sale of electricity pre-paid units is recognised when the risks and rewards of ownership has passed to the buyer.	
12.1.3 Interest earned	
Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.	
12.1.4 Royalties	
Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.	
12.1.5 Tariff Charges	
Revenue arising from the application of the approved tariff of charges is recognised when the service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.	
12.1.6 Income from agency services	
Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.	
12.1.7 Housing rental and instalments	
Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.	

12.1.8 **Sale of goods**

- Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
 - The municipality has transferred to the buyer the significant risks and rewards of ownership.
 - The municipality retains neither control over the goods sold, nor effective control over the goods.
 - The amount of revenue can be measured reliably.
 - It is probable that the economic benefits of service potential associated with the transaction will flow to the municipality.
 - The costs incurred or to be incurred in respect of the transaction can be measured reliably.

12.2 **Revenue from non-exchange transactions**

- Revenue from non-exchange transactions where the municipality received revenue from another entity without directly giving up substantially equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt of receivable qualities for recognition as an asset and there is no liability to repay the amount.

12.2.1 **Rates and taxes**

- Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised together with spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received.

12.2.2 **Fines**

- Fines constitute both spot fines and summonses. Revenue from spot fines and summonses that will be received based on past experience of amounts received together with an estimate of fines and summonses that will be received based on past experience of amounts received.

12.2.3 **Public contributions**

- Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

12.2.4 **Other Donations and Contributions**

- Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

12.2.5 **Revenue from recovered, irregular, fruitless and wasteful expenditure**

- Revenue from recovered, irregular, fruitless and wasteful expenditure is recognised when such items of property, plant and equipment are brought into use.

13. **CONDITIONAL GRANTS AND RECEIPTS**

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has compiled with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the municipality has not been met a liability is recognised. Government grants that are received as compensation for obligations have not been incurred or for the purpose of giving immediate financial support to the period in which they become receivable.

Government grants and conditional receipts are recognised as revenue when:

- (a) it is probable that the economic benefits of service potential associated with the transaction will flow to the entity,
- (b) the sum of the revenue can be measured reliably, and
- (c) to the extent that there has been compliance with any restrictions associated with the grant.

performed bi-annually.

15.3.2 *Actuarial Gains and Losses* The multigenerational recognizability of actuarial gains and losses in full in the period in which they occur. Actuarial valuations are

Fast-service costs are recognised immediately in income, unless the changes to the plan are conditional on the employee remaining in service for a specified period of time (the vesting period). In this case, the fast-service costs are amortised on a straight-line basis over the vesting period.

The demand derivative liability is the aggregate of the present value of the demand derivative assets and a discount rate based on the government bond rate.

The members of the Municipal Aid Funds, who are engaged in the manufacture, sale, or distribution of drugs, are entitled to remain a member of the Municipal Aid Fund, in which case the current Constitution of the Municipal Aid Funds, as in effect at the time of their admission, shall apply.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

133. **Post Retirement Benefits** The Municipality provides retirement benefits for its employees and councilors.

3.2.2. **Long-service Allowance**
 The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continuous service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a payable in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

EMPLOYEE BENEFITS

Provisions are recognisable when the maturicability has a present or constructive obligation to settle past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of a provision is the reduction of cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwindings of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

4. PROVISIONS

Accounting Policies

Financial Statements for the year ended June 30, 2010

Dverstrand Municipality

financial statements.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual

20. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Municipality accounts for Value Added Tax on the cash basis.

19. VALUE ADDED TAX

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registed banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the Statement of Financial Position at fair value.

18. CASH AND CASH EQUIVALENTS

Financial Performance.

The municipality capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the Statement of Financial Performance.

17. BORROWING COSTS

Rental income from operating leases is recognised and recorded on a straight-line basis over the term of the relevant lease.

Leases or instalment sale agreements.

Leases so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the amount due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the amount due from lessees under finance leases or instalment sale agreements.

The Municipality as Lessor

Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset.

The corresponding liability is depreciated at an appropriate rate of the minimum lease payments over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are recognised between the lease finance cost and the capital repayment using the effective interest rate method. Lease payments are allocated to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the amount due from lessees under finance leases or instalment sale agreements.

The Municipality as Lessor

Operating leases that do not fall within the scope of the above definition.

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the lessee.

16. LEASES

Leases are classified as finance leases that do not fall within the scope of the above definition.

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the lessee.

The municipality contributes to various National and Provincial-administered Defined Benefit Plans on behalf of its employees. These funds are multi-employer funds (refer to Note 18 of the Annual Financial Statement for details). The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued bi-annually on the Projected Unit Credit method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

Accounting Policies

Financial Statements for the year ended June 30, 2010

Overstrand Municipality

Changes in accounting estimates are applied retrospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Changes in accounting policies that are effected by management are applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

27. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

When the presentation of items in the annual financial statements is amended, prior period comparative amounts are restated except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the amendment. The nature and reason for the restatement is disclosed.

26.2 *Prior year comparatives:*

Budgeted amounts have, in accordance with GRAP 1, been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

26.1 *Current year comparatives:*

26. COMPARATIVE INFORMATION

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance.

25. FOREIGN CURRENCIES

Frailless and wasteful expenditure that was made in vain and would have been avoided had reasonable care been exercised. Frailless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance in the year that the expenditure was recorded and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

24. FRUITLESS AND WASTEFUL EXPENDITURE

Irregular expenditure is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure, irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

23. IRREGULAR EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Management in the year that the expenditure was incurred and where recovered, it is subsequently accounted for as expenditure in the Statement of Financial Performance.

22. UNAUTHORISED EXPENDITURE

These transfers are recognised in the Statement of Financial Performance as expenses in the period that the events giving rise to the transfer occurred.

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not

21. GRANTS-IN-AID

Accounting Policies

Financial statements for the year ended June 30, 2010

Overstrand Municipality

Overstrand Municipality

Financial Statements for the year ended June 30, 2010

Accounting Policies

Management has considered all the above standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

IAS 39 Financial Instruments: Recognition and Measurement - amended version effective 1 January 2010
IAS 36 Impairment of Assets - amended version effective 1 January 2010

The following other standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted by the municipality:

Impairment of Cash-generating Assets (GRAP 26 - issued March 2009)
Employee Benefits (GRAP 25 - issued December 2008)
Revenue from Non-Exchange Transactions (GRAP 23 - issued February 2008)
Impairment of Non-cash-generating Assets (GRAP 21 - issued March 2009)
these Standards:
in effect, in developing appropriate accounting policies dealing with the following transactions, but have been issued, but is not yet effective, in developing principles established in the following Standards of GRAP that have been issued, but is not yet

The Municipal Ability applied the principles established in a Standard of GRAP that has been issued, but is not yet effective, in developing an appropriate accounting policy dealing with a particular transaction or event before applying paragraph 12 of the GRAP 19 on Accounting Policies, Changes in Accounting Estimates and Errors.

Application of all of the above GRAP standards will be effective from a date to be announced by the Minister of Finance.

GRAP 18	Segment Reporting - issued March 2005	GRAP 21	Impairment of Non-cash-generating Assets - issued March 2009
GRAP 23	Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008	GRAP 24	Presentation of Budget Information in Financial Statements - issued November 2007
GRAP 26	Employee Benefits - issued December 2009	GRAP 28	Impairment of Cash-generating Assets - issued March 2009
GRAP 103	Heritage Assets - issued July 2008	GRAP 104	Financial Instruments - issued October 2009

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

30. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The events after the reporting date that are classified as non-adjusting events after the reporting date are disclosed in the notes to the Annual Financial Statements.

29. EVENTS AFTER THE REPORTING DATE

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Correction of Errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 and/or to the extent that it is impracticable to determine the opening balances of assets, liabilities and net assets for the period for which retrospective restatement is practicable.

the error. In such cases the municipality shall restore the opening balances of assets, liabilities and net assets for the period to the extent that it is impracticable to determine the period-specific effects of the cumulative effect of the error.

28. RELATED PARTIES

Financial Statements for the year ended June 30, 2010

Overstrand Municipality		Notes to the Financial Statements	
2. Changes in accounting policy and prior period errors		Financial Statements for the year ended June 30, 2010	
A number of errors in the prior period's appropriations and transactions was discovered during the current financial period. The effect of these changes are as follows:		The effect of these changes are as follows:	
Restated 2009		Movement in the Financial Performance Statement:	
(599,348)		(Increase) / Decrease in Income	
(14,051)		Revenue - Service charges	
(84,043)		Revenue - Fines	
(6,543,719)		Revenue - Rentals	
1,672,626		General expenses	
43,900		Increase / (Decrease) in Expenses	
134		General expenses	
59,140		Finance costs	
(4,717,159)		Employee related costs	
9,087,143		Repaired and maintenance	
(16,278,199)		Movement in the Financial Position Statement:	
(98,744,602)		(Increase) / Decrease in Accumulated Surplus	
2,147,968		(Decrease) / Decrease in Non-current Liabilities	
1,338,708		Unspent grants	
60,804		Provisions	
54,713		Other financial liabilities	
580,803		(Increase) / Decrease in Non-current Asset	
(365)		Investment properties	
(94,922)		Inventory	
18,435,734		Stores, materials and fuels	
21,049		Water	
(566,360)		Trade and other receivables	
(2,500)		Control account - sundry	
(5,176,093)		Control account - salaries	
82,606,401		Trade	
(5,323)		Consumer debtors	
37,896		Operating lease	
(4,481)			
2,672,199			
33,415			
(140,000)			
(5,000)			
(5,176,093)			
82,606,401			
(2,500)			
(140,000)			
(566,360)			
21,049			
(566,360)			
18,435,734			
(94,922)			
580,803			
(365)			
54,713			
60,804			
1,338,708			
208,227			
2,147,968			
(98,744,602)			
(16,278,199)			
(9,087,143)			
Opening balance of Accumulated Surplus at 01 July 2008			
Movement in the Financial Position Statement:			
(Increase) / Decrease in Accumulated Surplus			
(98,744,602)			
2,147,968			
1,338,708			
60,804			
54,713			
580,803			
(365)			
(94,922)			
2,147,968			
(98,744,602)			
(16,278,199)			
(9,087,143)			
General expenses			
General expenses / (Decrease) in Expenses			
General expenses			
Finance costs			
Finance costs / Employee related costs			
Finance costs			
General expenses / Employee related costs			
General expenses			
General expenses / Repaired and maintenance			
General expenses			
General expenses / Revenue - Rentals			
General expenses / Revenue - Service charges			
General expenses / Revenue - fines			
General expenses / Revenue - other			
General expenses / Revenue - rents			
General expenses / Revenue - service charges			
General expenses / Revenue - fines			
General expenses / Revenue - other			
General expenses / Revenue - rents			
General expenses / Revenue - service charges			
General expenses / Revenue - fines			
General expenses / Revenue - other			
General expenses / Revenue - rents			
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General expenses / Revenue - rents			
General expenses / Revenue - service charges			
General expenses / Revenue - fines			
General expenses / Revenue - other			
General expenses / Revenue - rents			
General expenses / Revenue - service charges			
General expenses / Revenue - fines			
General expenses / Revenue - other			

Notes to the Financial Statements			
Overstrand Municipality			
Financial Statements for the year ended June 30, 2010			
2. Changes in accounting policy and prior period errors (continued)	2010	2009	Figures in Rand
Reconciliation of adjustments due to changes in accounting policies and prior period errors			
Decrease in Accumulated Surplus 1 July 2008	422,745,979	9,087,143	431,833,122
Write off interest and penalties for consumer debtors	(20,628)		
Consumer debtors billing credits and debtors	(797,857)		
Write back stable cheques	(364)		
Write off retention money	208,227		
Raising of LGSETA debtors	260,119		
Correction of creditor for road scrapping	(35,782)		
Write back of VGI Canbasai land sales debtor	(2,500)		
Correction of interest paid on DBSA external loan	12,512		
Correction of interest received from NRB/Momentum investment for sinking fund	(3,640,873)		
Correction of interest received from NRB	64,612		
Correction of unrecalled deposits	1,285,311		
Correction of deferred income provision	42,259		
Correction of unspent grants	11,935,202		
Correction of store stock	86,374		
Correction of grants to MIG debtor	750,000		
Correction of telephone, plot and debt recovery and insurance	6,624		
Raising of grant collection creditor	(566,360)		
Correction of operating lease	(440,498)		
Correction of grants to credit union	(58,995)		
Correction of telephone, plot and debt recovery and insurance	(238)		
Net Assets and Liabilities as at 30 June 2009	22,806,750	7,191,057	29,997,807
Increase in surplus for the year 30 June 2009			
For year adjustments	9,087,143		
Net Assets and Liabilities as at 30 June 2009	22,806,750	7,191,057	29,997,807
Non-current Liabilities	179,741,947	545,311	180,287,258
Long-term Liabilities	103,153,984	(21,049)	103,132,935
Other non-current provisions	52,453,742	-	52,453,742
Post-retirement medical aid benefits obligation	24,134,221	566,360	24,700,581
Non-current Liabilities	159,616,314	(20,583,703)	139,032,611
Consumer deposits	11,379,540	-	11,379,540
Provisions	1,962,424	(2,147,969)	98,649,007
Trade and other payables	100,796,976	(18,435,734)	2,894,370
Unspent conditional grants and receipts	21,330,104	(2,147,969)	1,952,424
Operating lease liability	1,064,897	-	1,064,897
Current portion of Post-retirement medical aid benefits obligation	23,092,373	-	23,092,373
Current Net Assets and Liabilities	2,963,392,255	128,308,210	3,091,700,465

ASSETS		2. Changes in accounting policy and prior period errors (continued)	
Non-current assets	Property, plant and equipment	2,831,158,540	2,958,048,348
	Intangible Assets	2,766,951,519	2,899,159,920
	Investment property	2,360,000	2,360,000
	Intangible Assets	47,481,200	(140,000)
	Other financial assets	14,051,614	(5,176,093)
	Long-term receivables	314,207	(2,500)
Current assets	Inventory	132,233,715	1,418,403
	Consumer debtors	4,537,951	33,415
	Trade and other receivables	37,391,968	(891,278)
	Current portion of long-term receivables	39,799,049	2,672,200
	VAT	110,099	1,146,015
	Non-current assets held for sale	18,532,823	-
	Cash and cash equivalents	18,851,000	18,851,000
	Total Assets	2,963,392,255	128,308,210
	Surplus/(Deficit) for the year	22,806,750	7,191,057
3. Inventories	Stores and materials	4,327,596	4,524,868
	Water	352,099	111,478
	Inventories (write-downs)	4,679,695	(44,893)
	4. Other financial assets	2,631,821	2,631,821
Amounts recognised as expenditure during the period R4,881,875.41 (2009/2010) and R4,367,867.38 (2008/2009).			

Notes to the Financial Statements		Figures in Rand	
Financial Statements for the year ended June 30, 2010		2010	2009
Oversrand Municipal			

Long term investments in lieu of consumer deposits. The investment was redeemed during the year.

Policy backed loan structure. The investment was redeemed during the year.	-	65,159
Rand Merchant bank/Momentum	-	6,178,541
ABSA bank call account	10,000,000	-
ESkom	-	8,875,521
Long term investments in lieu of consumer deposits. The investment was redeemed during the year.	12,631,821	8,875,521

Overstrand Municipal

Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

Figures in Rand

2010

2009

4. Other financial assets (continued)

Figures in Rand

2010

2009

In determining the recoverability of other financial assets, the Overstrand Municipal considers any change in the credit quality of the other financial assets from the date the credit was initially granted up to the reporting date.

5. Operating lease assets / (accrual)

Figures in Rand

2010

2009

In determining the recoverability of other financial assets, the Overstrand Municipal considers any change in the credit quality of the other financial assets from the date the credit was initially granted up to the reporting date.

Figures in Rand

2010

2009

Figures in Rand

2010

Notes to the Financial Statements

Overstrand Municipality

Financial Statements for the year ended June 30, 2010

8. Consumer debtors (continued)

Figures in Rand

2010 2009

Current (0-30 days)	1,680,187	1,915,027
31 - 60 days	1,390,637	1,624,183
61 - 90 days	25,992	38,220
58,621	29,621	52,294
67,811	52,294	170,709
137,126	137,126	
Business	6,078,964	3,609,871
31 - 60 days	184,907	503,744
61 - 90 days	141,174	52,183
91 - 120 days	14,851	41,174
109,563	184,907	
1,201,451	1,201,451	
102,369	102,369	
91 - 120 days	61,123	2,611,213
61 - 90 days	3,269,901	16,613,419
31 - 60 days	14,168,034	
Individual	28,976,127	
Reconciliation of bad debt provision	27,136,131	
Balance at beginning of the year	15,934,444	14,507,484
Contributions to provision	9,507,273	4,964,545
Bad debts written off against provision	(1,892,588)	(3,537,585)
15,934,444	23,549,129	

Reconciliation of bad debt provision	28,976,127	
Balance at beginning of the year	15,934,444	14,507,484
Contributions to provision	9,507,273	4,964,545
Bad debts written off against provision	(1,892,588)	(3,537,585)
15,934,444	23,549,129	

9. Long term receivables

In determining the recoverability of consumer debtors, the Overstrand Municipality considers any change in the credit quality of the consumer debtor from the date the credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer being large and unrelated. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

Current Portion	110,099	
Land sales	19,776	12,324
Officials: Study loans	5,000	-
Officials: Burseary fund	5,000	-
Officials: Car loans	5,300	-
Housing selling scheme loans	713	25,350
Sport clubs	25,350	-
Current Portion	31,363	311,407

Notes to the Financial Statements									
Overstrand Municipality									
Financial Statements for the Year ended June 30, 2010									
Figures in Rand									
2010									
9. Long term receivables (continued)									
Long term receivables- Non-current portion									
173,993	31,363	110,099	311,407	205,356	421,506				
Total									
In determining the recoverability of long term receivables, the Overstrand Municipality considers any change in the credit quality of the long term receivables from the date the credit was initially granted up to the reporting date.									
Cash and cash equivalents consist of:									
15,000	19,608,308	11,844,478							
Bank balances									
27,921,943	10,435,754	48,300,352	19,025,442	11,714,681	166,616,889				
June 30, 2010 June 30, 2009 June 30, 2008 June 30, 2010 June 30, 2009 June 30, 2008									
ABSA BANK (Hermanus Primary Bank)									
27,921,943	10,435,754	48,300,352	19,025,442	11,714,681	166,616,889				
Accountr number / description									
39,155	8,043	-	(239,397)	(28,888,283)					
ABSA BANK (Gansbaai)									
-	4,851	26,969	-	13,185	(41,388,278)				
Accountr Type - 322 017 0240									
5,382	5,250	6,006	3,897	(8,358)	(292,395)				
ABSA BANK (Ondrus Caravan Park)									
60,428	52,521	163,206	18,275	(180,645)	(309,084)				
Accountr Type - 405 642 0921									
788,925	524,177	172,219	297,744	262,239	(75,287,487)				
ABSA BANK (Traffic Department)									
262,950	282,774	-	262,950	282,774	-				
Accountr Type - 406 657 8021									
29,039,628	11,344,482	48,676,795	19,623,308	11,859,899	20,461,282				
Total									
11. Investment property									
2009	2010								
Investment property									
47,341,200	66,837,900	-	66,837,900	47,341,200	-	66,837,900	-	47,341,200	

Notes to the Financial Statements

For the Year Ended June 30, 2010

Operstrand Municipality

Financial Statements for the year ended June 30, 2010

11. Investment property (continued)

Reconciliation of investment property - 2009

Investment property		- 47,341,200		47,341,200	
Opening balance	Transfers	Total	Balance	Transfers	Total

12. **Property, plant and equipment**
All transfers to investment Property was from owner-occupied property.

Opening Balance	Additions	Disposals	Under Construction	Transfers	Depreciation	Total
115,829,300	5,534,125	-	(140,000)	(5,329,888)	115,893,537	
72,636,616	127,234	-	-	(4,528,513)	68,235,337	
66,228,308	-	-	-	-	66,228,308	
2,252,995,199	69,188,094	(348,835)	31,249,708	-	(83,564,736)	2,269,519,430
350,071,400	7,437,905	-	-	(64,128)	-	357,445,177
41,399,098	1,772,473	(132,935)	-	-	(7,717,153)	35,321,483
2,899,159,921	84,059,831	(481,770)	31,249,708	(204,128)	(101,140,290)	2,912,643,272

Refer to page 58 for maturity analysis of financial liabilities.

a) The management of the municipality is of the opinion that the carrying value of Financial Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values. The fair value of Financial Liabilities and other assets as well as the current payment ratios of the municipality's debtors.

Assets and Liabilities were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratios of the municipality's debtors.

The fair values of the financial liabilities were determined as follows:

Non-current assets held for sale comprises the following:

Council resolved to sell the property on 1 September 2009. It was sold to The United Church on 22 February 2010. Transfer took place in August 2010.

ERH NO. 11000 portion of lot 243 - Hermanns Council decided to sell this property to Abalone farm, Abagold. Transfer is expected during 2011.

ERF NO. 7288 - Community Council decided to sell this property to SOFCA. Transfer is expected during 2011.

Council decided to sell this property for the purposes of consolidating it with an adjacent erf. It was sold to HN De Villiers for R5 000 and transfer is expected during 2011.

ERF NO. 6408 - Kleinmond Service Yard
Kleinmond decided to sell this property as it was under-utilised and ideal location for the extension for the central business area of Kleinmond. It was sold to Dammarest (PTY) LTD for R4 617 000 and transfer is expected during 2011.

ERF NO.1106 portion of erf 774 - Station Site
Council approved the rezoning of erf 774 to General business zone. It was sold to Shoprite Checkers (PTY) LTD for R17 000 000 for further development. Transfer is expected during 2011.

Assets meeting the definition and recognition criteria of non-current assets held for sale are reclassified and measured in accordance with GRAP 100 requirements.

14. Non-current assets held for sale

Figures in Rand 2009 2010 2009

Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

Overstrand Municipality

Notes to the Financial Statements

Overstrand Municipality

Financial Statements for the year ended June 30, 2010

Trade and other payables from exchange transactions	2010	2009	Figures in Rand
Trade payables	64,763,891	33,220,050	8,347,362
Retention money	8,402,873	-	308,173
Prepaid veniding	3,955,665	3,396,747	2,189,316
Payments received in advance	4,675,006	4,675,006	268,429
Deposits received	2,12,848	182,411	58,755
Deferred income	9,982,319	7,365,490	48,600
Control account - sundry	182,411	182,411	48,600
Control account - salaries	182,411	182,411	6,522,236
Builders' deposits - salaries	182,411	182,411	6,083,093
Accrued leave pay	182,411	182,411	6,242,589
Services	13,893,478	11,379,540	98,698,442
17. Consumer deposits			
18. Retirement benefits			
Defined benefit plan			
The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such a medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.			
The municipality contributes monthly contributions for health care arrangements to the following medical aid schemes:			
- Bonitas;			
- LA Health;			
- Prosano;			
- Samwuned;			
- Prosano;			
- Samwuned; and			
- Keyheith.			
The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2010 by Mr DR Posen, Fellow of the Actuarial Society of South Africa, including projections for the 2011 and 2012 financial periods. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.			
The members of the Post-employment Health Care Benefit Plan are made up as follows:			
In-service Members (Employees)	378	66	444
Continguation Members (Retirees, widowers and orphans)			
Total Members			
Carrying value			
Present value of the defined benefit obligation-wholly unfunded	(53,518,639)	(56,587,000)	(52,453,742)
Non-current liabilities			
Current liabilities			

Overstrand Municipality

Financial Statements for the year ended June 30, 2010

Notes to the Financial Statements

Figures in Rand		2010		2009					
19. Unspent conditional grants and receipts									
Government grants:									
Financial Administration Western Cape - grants	7,037	820,157	2,902	185,433	78,016				
National Treasury - Municipal system improvement grant	-	-	204,888	2,902	185,433				
Provincial Treasury - Housing consumer education.	-	-	-	2,902	185,433				
Provincial Treasury - Multi purpose centre (Hawston)	-	-	-	78,016	78,016				
Provincial Treasury - Municipal Treasury - Multi purpose centre (Hawston)	1,093,545	204,888	204,888	2,902	185,433				
Hawston housing contribution	116,534	56,576	394,109	594,089	594,089				
Cleantest town competition	-	21,586	-	394,109	394,109				
VNUA awards competition	-	-	50,000	30,000	30,000				
ABSA membership (Grey power)	-	-	252,599	252,599	252,599				
Cape Town routes unlimited	-	-	200,000	200,000	200,000				
World wildlife fund - Table mountain fund grant	-	-	231,814	231,814	231,814				
CSIR - Housing grant	-	-	144,000	144,000	144,000				
OLEDA - IDC grant for intemrs	-	-	173,420	173,420	173,420				
Kleinmond 410 project - Participation fees	-	-	6,600	6,600	6,600				
Infrastructure contribution - storm water	24,612	-	-	-	-				
Infrastructure contribution - Sanitation eff	731,245	-	-	-	-				
Overberg District Municipality - Whale coast signage	243,000	-	-	-	-				
Balance at the beginning of the year	2,894,370	5,019,986	29,781,119	35,789,988	35,789,988				
Balance at the beginning of the year	2,894,370	5,019,986	29,781,119	35,789,988	35,789,988				
Movement during the year	1,717,128	-	-	-	-				
Balance at the beginning of the year	2,894,370	5,019,986	29,781,119	35,789,988	35,789,988				
Additionals during the year	1,922,016	(36,671,608)	(24,828,472)	(36,671,608)	(36,671,608)				
Income recognition during the year	(7,078,423)	(90,734)	(24,828,472)	(7,078,423)	(7,078,423)				
Transfer to debtors	2,894,370	2,894,370	2,894,370	2,894,370	2,894,370				
20. Provisions									
Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.									
The nature and extent of grants recognised in the financial statements and an indication of other forms of									
government assistance from which the entity has directly benefited; and									
Reconciliation of provisions - 2010									
Opening	Adjusments	Utilised during	Balance	Adjusments	Utilised during				
26,653,005	3,813,780	(57,686)	26,653,005	3,813,780	(57,686)				
675,614	3,629,386	-	675,614	3,629,386	-				
6,600,000	-	-	6,600,000	-	-				
18,995,425	-	-	18,995,425	-	-				
Rehabilitation of tip sites									
Cleaning out of alien vegetation									
Long service bonuses									
Gratification payable									

Overstrand Municipal
Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

20. Provisions (continued)

Reconciliation of provisions - 2009

Figures in Rand	2009	2010
-----------------	------	------

Rehabilitation of tip sites	11,031,931	11,515,779	the year (522,212)	22,025,498
Balances	4,380,000	-	(994,467)	3,385,533
Long service bonuses	592,183	83,431	-	675,614
Clearing out of alien vegetation	623,710	-	(57,350)	566,360
Graffiti removal	4,267,000	(1,915,999)	(2,351,001)	-
Cleaning up of illegal dumping	20,894,824	9,683,211	(3,925,030)	26,653,005
Non-current liabilities	24,700,581	25,917,467	4,491,632	24,700,581
Current liabilities	30,409,099	26,653,005	1,952,424	4,491,632

Rehabilitation of tip sites:
The costs to rehabilitate all identified sites in the Overstrand is estimated at R18,995,425.
Clearing out of alien vegetation:
Approx. 20% of a total area of 26 154ha must be cleared during the next five years and the estimated cost amounts to R6,6m.

Long service provision:
Post retirement benefits relating to long service bonuses have been provided for. An actuarial valuation from the 2010 report out by a professional actuary as at 30 June 2010. The provision has been adjusted with the projection from the 2010 report.

21. Property Rates	121,922,911	116,200,501
Rates received		
Residential and Business		
22. Service charges		
Sale of electricity	113,486,842	148,216,320
Sale of water	53,852,917	75,032,548
Refuse removal	31,512,376	33,224,600
32,056,044	36,160,168	36,160,168
Sewerage and sanitation charges	230,908,179	292,633,636

Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

23. Government grants and subsidies

Figures in R and

Figures in Kard 2010 2009

Overstrand Municipal

Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

Figures in Rand

23. Government grants and subsidies (continued)

Conditional receipts: PWC: Other grants

Conditions still to be met - transferred to liabilities (see note 19)

Balance unspent at beginning of year

7,037 (7,037) 7,037
702,247 (695,210) 7,037
185,433 88,400 185,433
150,000 150,000 150,000
130,545 (52,967) 185,433
204,888 185,433
Conditions still to be met - transferred to liabilities (see note 19)

Conditional receipts: PWC: Housing consumer education

Conditions still to be met - transferred to liabilities (see note 19)

Balance unspent at beginning of year

185,433 88,400 185,433
150,000 150,000 150,000
130,545 (52,967) 185,433
204,888 185,433
Conditions still to be met - transferred to liabilities (see note 19)

Conditions have been met and the money has been committed. The unspent portion will be spent during the 2010/2011 year.

Conditional grants: National - Neighborhood Development Partners grant

Current year receipts
Conditions met - transferred to revenue
Transferred to debtors
Conditions still to be met - transferred to liabilities (see note 19)

Conditional grants: National - INEP grant
Current year receipts
Conditions met - transferred to revenue
Transferred to debtors
Conditions still to be met - transferred to liabilities (see note 19)

Conditional grants: Provincial - Social housing
Current year receipts
Conditions met - transferred to revenue
Conditions still to be met - transferred to liabilities (see note 19)

Conditional grants: Provincial - Multipurpose centre
Balance unspent at beginning of year
Conditions met - transferred to revenue
Conditions still to be met - transferred to liabilities (see note 19)

Overstrand Municipality

Financial Statements for the year ended June 30, 2010

Notes to the Financial Statements

23. Government grants and subsidies (continued)	
2010	2009
Figures in Rand	
Conditions still to be met - transferred to liabilities (see note 19)	
Current year receipts	Conditions met - transferred to revenue
- (96,000)	- (96,000)
Balance unused at beginning of year	Conditions still to be met - transferred to liabilities (see note 19)
297,000	- (1,031,470)
Conditions received	Conditions met - transferred to revenue
- (734,470)	- (734,470)
Current year receipts	Current year receipts
- (96,000)	- (96,000)
221,335	188,906
416,873	680,922
49,260	2,583,627
2,366,403	144,459
144,459	62,599
144,459	1,513,835
144,459	6,500,534
72,388	8,016,927
79,061	3,175,077
3,567,363	114,875
145,789	527,848
288,571	43,150
33,339	43,150
8,026	12,935
369,167	8,026
301,026	12,935
3,030,073	151,596
133,663	151,596
5,263	4,356
424,560	405,427
513,531	575,257
293,542	48,330
29,811	29,811
159,212	178,615
178,615	234,434
196,080	385,605
281,422	702,294
846,959	702,294
2,524,050	23,444,737
24. Other income	
Conditions still to be met - transferred to liabilities (see note 19)	
Current year receipts	Conditions still to be met - transferred to liabilities (see note 19)
- (1,031,470)	- (1,031,470)
Conditions received	Conditions received
- (297,000)	- (297,000)
2,366,403	2,366,403
144,459	144,459
62,599	62,599
1,513,835	1,513,835
6,500,534	6,500,534
72,388	72,388
79,061	79,061
3,567,363	3,175,077
114,875	145,789
527,848	288,571
43,150	33,339
12,935	43,150
8,026	8,026
12,935	12,935
369,167	369,167
301,026	301,026
3,030,073	3,030,073
133,663	151,596
5,263	4,356
424,560	405,427
513,531	575,257
293,542	48,330
29,811	29,811
159,212	178,615
178,615	234,434
196,080	385,605
281,422	702,294
846,959	702,294
2,524,050	23,444,737
25. Investment revenue	
Interest revenue	Interest revenue
3,334,184	3,806,296
2,419,285	1,150,589
5,753,469	4,956,885
2010	2009

Notes to the Financial Statements

First and Second Quarter 2010

Financial Statements for the year ended June 30, 2010

Financial Statements for the year ended June 30, 2010

Overstrand Municipality

Figures in *rand* 2010 2009

26. Employee related costs (continued)

Remuneration of director: Local Economic Development

Annual Remuneration	Car Allowance	Car Allowance Bonuses	Cellphone Allowance	Remuneration of director: Infrastructure & Planning
389,223	477,597	115,000	12,825	616,817
120,000	108,134	88,574	700,731	19,020
115,000	115,000	-	700,731	19,020
389,223	477,597	115,000	12,825	616,817

צמחייה כטביה וברוחנית, מושג של שגשוג ובריאות, מושג של שגשוג ובריאות.

Remuneration of Directors: Protection Services

Contributions to UIF, Medical and Pension Funds

Remuneration of director: Management Services

Performance Bonuses

Contributions to UIF, Medical and Pension Funds

Remuneration of directors: QLEDA

Overstrand Municipality
Financial Statements for the year ended June 30, 2010
Notes to the Financial Statements

27. Remuneration of councillors	2009	2010	Figures in Rand
Executive Major	518,696	555,008	407,905
Deputy Executive Major	414,958	769,591	863,567
Mayoral Committee Members	414,958	444,005	2,259,226
Councillors	2,152,302	4,270,505	4,529,711
28. Depreciation and amortisation	34,145,424	101,142,706	Property, plant and equipment
29. Finance costs	7,526,953	19,294,616	Current borrowings
30. Debt impairment	4,964,544	9,507,272	Contributions to bad debt provision
31. Bulk purchases	59,353,373	78,005,898	Electricity
32. Contracted Services	9,318,853	6,231,971	Specialist Services
33. Grants and subsidies paid	11,745,950	14,461,156	Other Contractors
Other subsidies	9,308,485	11,817,760	Low house-hold subsidies

Overstrand Municipality

Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

34. General expenses	
2009	Figures in Rand
2,266,910	Auditors remuneration
842,591	Bank charges
6,047,441	Billing charges
6,728,753	Chemicals
1,223,815	Commission paid
7,113,444	Consulting and professional fees
1,460,381	Conditonal receipts expenses
1,364,540	Debt collection
1,633,922	Deeds office cost
6,696,119	Electricity
447,244	Fuel and oil
2,736,244	Hermans public protection
287,701	Hire
17,354,711	Improvement rebates
16,533,199	Insurance
1,592,821	Lease rentals on operating lease
116,287	Municipal charges
105,014	Municipal entity contribution
1,964,072	Occupational health and safety
1,223,815	Postage and courier
5,880,834	Printing and stationery
3,144,004	Refuse/recycle bags
584,977	Refuse/recycle fees
1,071,272	Rates income forgoane
1,774,027	Radio license fees
26,356	Rates income forgoane
35,484	Rates income forgoane
1,494,666	Rates income forgoane
3,890,368	Rates income forgoane
441,055	Refuse/recycle fees
186,230	Refuse/recycle fees
211,130	Refuse/recycle fees
2,718,072	Refuse/recycle fees
1,795,415	Refuse/recycle fees
2,838,261	Refuse/recycle fees
1,258,443	Refuse/recycle fees
2,735,331	Refuse/recycle fees
1,645,097	Solid waste chipping
1,677,326	Solid waste chipping fees
441,358	Special waste haulage
1,017,537	Special waste haulage
20,368	Staff welfare
697,279	Subscriptions and membership fees
591,963	Subscriptions and transport
659,009	Sundry expenses
610,437	Telephone and fax
385,471	Tourism development
5,007,265	Training
2,935,510	Uniforms and protective clothing
2,937,198	Venue expenses
5,988,382	Veterinary department
950,717	Water levies
900,602	216,451
972,652	548,193
1,185,102	76,984
2,935,510	896,061
5,007,265	114,965
2,937,198	175,911
5,988,382	900,602
950,717	1,159,447
2,266,910	1,053,476
842,591	892,504
6,047,441	4,768,101
6,728,753	6,084,568
1,223,815	2,291,567
7,113,444	12,249,442
1,460,381	911,599
1,364,540	1,223,815
1,633,922	1,964,072
6,696,119	105,014
447,244	116,287
2,736,244	1,592,821
287,701	3,144,004
17,354,711	447,203
16,533,199	1,241,156
6,696,119	1,369,856
447,244	584,977
2,736,244	1,071,272
287,701	664,098
17,354,711	1,774,027
16,533,199	26,356
6,696,119	35,484
447,244	3,890,368
2,736,244	1,494,666
287,701	238,410
17,354,711	186,230
16,533,199	211,130
6,696,119	2,718,072
447,244	1,795,415
2,736,244	2,838,261
287,701	1,258,443
17,354,711	1,645,097
16,533,199	1,677,326
6,696,119	1,645,097
447,244	1,017,537
2,736,244	11,537
287,701	20,368
17,354,711	697,279
16,533,199	591,963
6,696,119	659,009
447,244	610,437
2,736,244	385,471
287,701	160,544
17,354,711	2,935,510
16,533,199	5,007,265
6,696,119	2,937,198
447,244	5,988,382
2,736,244	950,717
287,701	972,652
17,354,711	1,185,102
16,533,199	2,935,510
6,696,119	5,007,265
447,244	2,937,198
2,736,244	5,988,382
287,701	950,717
17,354,711	900,602
16,533,199	1,159,447
6,696,119	1,053,476
447,244	842,591
2,736,244	892,504
287,701	6,047,441
17,354,711	6,728,753
16,533,199	1,223,815
6,696,119	1,215,633
447,244	2,291,567
2,736,244	12,249,442
287,701	911,599
17,354,711	1,964,072
16,533,199	1,964,072
6,696,119	1,053,476
447,244	1,053,476
2,736,244	1,159,447
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16,533,199	1,159,447
6,696,119	1,159,447
447,244	1,159,447
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16,533,199	1,159,447
6,696,119	1,159,447
447,244	1,159,447
2,736,244	1,159,447
287,701	1,159,447
17,354,711	1,159,447
16,533,199	1,159,447
6,696,119	1,159,447
447,244	1,159,447
2,736,244	1,159,447
287,701	1,159,447
17,354,711	1,159,447
16,533,199	1,159,447
6,696,119	1,159,447

Certainly of the municipality's properties is held to generate rental income. Lease agreements are non-cancellable and have terms from 3 to 99 years.

Minimum lease payments due within one year	234,189
Within one year	203,127
in second to fifth year inclusive	1,190,008
in sixth year and thereafter	2,653,831
After five years	4,046,966
	3,843,838

Operating leases – as lessor (income)

Operating lease payments represent rentals payable by the municipality for certain of its office equipment. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rents are payable.

Operating leases – as lessor (expense)

detained surplus cash resources, funds internally generated, etc.

Properties, plant and equipment	9,866,604	15,782,868
Not yet contracted for and authorised by council	161,809,089	157,445,124

СУММУСУДСА УЧИДСА РЕСУЛТАРЫ

88. Contributions

28,857,915	28,857,915	28,857,915
(3,681,093)	(3,681,093)	(3,681,093)
34,145,424	34,145,424	34,145,424
331,290	(7,046,456)	(7,046,456)
(5,753,469)	(4,956,885)	(4,956,885)
7,526,953	19,294,616	19,294,616
(19,857,210)	(19,857,210)	(19,857,210)
-	117,000	117,000
453,600	10,930	10,930
(1,430,230)	3,068,361	3,068,361
6,381,890	3,756,094	3,756,094
(11,515,779)	-	-
1,915,999	-	-
(63,435)	12,112,858	12,112,858
(20,463,731)	1,394,831	1,394,831
255,318	110,099	110,099
(9,892,244)	16,062,031	16,062,031
280,316	(5,258,960)	(5,258,960)
(14,178,297)	(972,354)	(972,354)
75,971,659	75,971,659	75,971,659
	AT	Unspent conditional grants and receipts

5. Cash generated from operations

figures in Rand 2009 2010 2010

Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

Overstrand Municipality

internal audit, responsible for initiating a control framework and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

The Directorate: Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or the degree of financial risk faced by business entities. Financial instruments are not exposed to

Financial risk management

The capital structure of the municipality consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in note 15, cash and cash equivalents disclosed in note 10, and equity as disclosed in the statement of financial position.

The municipality's objectives when managing capital are to safeguard the municipality's ability to continue as a going concern in order to provide returns for member and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Capital risk management

Certain comparative figures have been restated, see note 2 for detail information regarding these changes.

38. Comparative figures

Certain council members terminated their membership with the Municipal Councillors Pension Fund. There is a claim amount of R455,000 that the municipality has to recover from the members concerned and pay over to the fund. We are disputing the claim and have already sent our advocates meaning to the fund administrators.

Municipal Councillors Pension Fund

There was a shortfall in the annual earnings of the Cape Joint Pension Fund and the claim amount is R1,390,581. We oppose the claim.

Cape Joint Pension Fund

SALA unilaterally decided to increase the employer's contribution to the said fund from 18,75 to 20,78% in 2003. A claim was instituted by the South African Local Authorities Pension Fund (SALA) in the Magistrate's Court for the district of Hermansus for the non-payment of increased contributions from July 2003 amounting to approximately R125,000 plus interest @ 15.5% p.a. from the date of demand.

SALA Pension Fund

The matter arose when M5 sought an order in the Western Cape High Court setting aside a decision of the then Acting Municipal Manager (the undesignated) regarding, on appeal, the allocation of a municipal tender to M5 and instead awarding the tender to ASLA. On 12 February 2009 Mr Justice Le Grange reviewed and set aside the then Acting Municipal Manager's decision. Leave for appeal was granted on 7 May 2009 as reasonable prospects of success existed that another Court may come to a different conclusion given the fact that some of the findings of the judge with regard to the provisions of the Local Government: Municipal Systems Act, 2000, (Act 32 of 2000). The approximate amount of the legal costs involved are R140,000.

M5/SALA:

37. Contingent liabilities

Figures in Rand
2009 2010

Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

Oversrand Municipality

39. Risk management (continued)	
Figures in Rand	2009
2010	Figures in Rand
Overstrand Municipality	Notes to the Financial Statements
Financial Statements for the year ended June 30, 2010	
Liquidity risk	The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.
Interest rate risk	Interest rate risk is defined as the risk that the fair value of future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.
Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.	The municipality limits its counterpart risk from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councilor responsible for financial matters.
Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Long-term Receivables and Other Debtors are individual annually evaluated annually at balance Sheet date for impairment or impairment / discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent disclosure is applicable in terms of Council's Credit Control and Debt Collection Policy.	Long-term Receivables and Other Debtors are individual evaluated annually at balance Sheet date for impairment or impairment / discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent disclosure is applicable in terms of Council's Credit Control and Debt Collection Policy.
Interest rate risk	The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.
Credit risk	Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.
Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independent, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The credit guarantee insurance is purchased when deemed appropriate.	Trade receivables consists the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The credit guarantee insurance is purchased when deemed appropriate.
Other financial assets	Credit quality of financial assets
F 1	Counter-parties with external credit rating (Fitch's)
6,243,700	10,000,000
2,631,821	2,631,821
8,875,521	12,631,821
16,857,139	18,986,233
13,550,980	13,550,980
23,534,744	23,534,744
42,520,977	30,408,119
Group 3	Trade and other receivables from exchange transactions
Group 2	Other receivables

Refer to Appendix E(2) for the comparison of actual capital expenditure versus budgeted expenditure.

42. Actual capital expenditure versus budgeted capital expenditure

Refer to Appendix E(1) for the comparison of actual operating expenditure versus budgeted expenditure.

41. Actual operating expenditure versus budgeted operating expenditure

Berry AG	Herbert VR
1,731	2,698
1,731	2,698
R	R
days	days
Outstanding	Outstanding
less than 90	more than 90
Total	R
June 30, 2009	

The following Councils had arrear accounts outstanding for more than 90 days at June 30, 2010:-

Councils, arrear consumer accounts

All VAT returns have been submitted by the due date throughout the year.

VAT receivable	18,532,823
15,633,554	

VAT

40. Additional disclosure in terms of Municipal Finance Management Act

Group 1 = Speculative. Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse changes in the financial and economic conditions.

Group 2 = Fair credit quality. The capacity for timely payment of financial commitments is adequate.

Group 3 = Good credit quality. A satisfactory capacity for timely payment of financial commitments.

Group 4 = Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.

changes in the financial and economic conditions.

B = Speculative. Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse

F3 = Fair credit quality. The capacity for timely payment of financial commitments is adequate.

F2 = Good credit quality. A satisfactory capacity for timely payment of financial commitments.

F1 = Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.

Group 1	Group 2	Group 3	Group 4	Group 3	Group 2	Group 1
23,525,566	17,022,436	7,732,397	24,089,579	3,307,447	2,486,940	4,515,929
17,022,436	7,732,397	24,089,579	3,307,447	2,486,940	4,515,929	23,525,566
23,525,566	17,022,436	7,732,397	24,089,579	3,307,447	2,486,940	4,515,929
Group 1	Group 2	Group 3	Group 4	Group 3	Group 2	Group 1
Long term receivables						
424,306	205,356	58,654,989	52,435,134	28,409,829	24,089,579	7,732,397

39. Risk management (continued)

Figures in Rand	2010	2009

Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

Overstrand Municipality

Notes to the Financial Statements

For the year ended June 30, 2010

Overstrand Municipality

Financial Statements for the year ended June 30, 2010

43. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

Figures in Rand 2009 2010 2011

4.3.1: Numerical randoms by category

2010

6003

Fair Value

The Fair Values of Financial Assets and Financial Liabilities are determined as follows:

The Fair Value of Financial Assets and Financial Liabilities with Standard Terms and Conditions and Traded on Active Markets is determined with reference to quoted market prices;

The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values. The fair value of Financial Assets and other receivables as well as the current payment ratio's of the municipality's debtors.

Refer to page 51 for the supply chain management deviations.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the council and includes an additional schedule to this note to the financial statements.

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

47. Deviations from supply chain management regulations

A decision was made where they decided that Overstrand Local Economic Development Agency (Pty) Ltd should be dissolved and incorporated into the municipality as a department as of 31 May 2010.

The municipality received money from OLEDA for their intern salaries.

Overstrand Local Economic Development Agency (Pty) Ltd (OLEDA) income received on behalf of entity

A grant was paid to OLEDA in order to perform its functions with regard to the promotion of local economic development in accordance with Overstrand Municipality's Integrated Development Plan.

Overstrand Local Economic Development Agency (Pty) Ltd (OLEDA) subsidies paid to

Related party transactions

Related party balances

Overstrand Local Economic Development Agency (Pty) Ltd (OLEDA) related entities of the municipality controlled by Overstrand Municipality (Pty) Ltd (OLEDA) is a 100% wholly owned entity

46. Related parties

Fees	3,102,087	2,266,910
45. Auditors' remuneration		
Employee costs	161,373,530	127,919,992
Impairment on property, plant and equipment	117,000	34,142,706
(Deficit) / surplus on sale of property, plant and equipment	7,046,456	(331,290)
• Premises	46,200	36,000
• Equipment	1,760,860	178,365
• Contractual amounts	1,807,060	214,365
• Contractual amounts	1,760,860	178,365
Operating lease charges	46,200	36,000
Operating (deficit) surplus for the year is stated after accounting for the following:		

44. Operating (deficit) surplus

Figures in Rand	2010	2009
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Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

Overstrand Municipality

All of these so-called funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

Employees belong to a variety of approved Pension and Provident Funds as described below.

All councils belong to the Pension Fund for Municipal Councils.

Different pension schemes.

Overstrand Municipality makes provision for post-retirement benefits to eligible councilors and employees, who belong to

51. Multi-employer retirement benefit information

Openning balance	3,317,403	3,328,676	3,328,676	11,273	1,410,273	1,418,403	3,328,676	1,997.
Transfers to fund								
Refereed to oversight committee for investigation. Recovered from responsible party.								
Payment to fraudulent bank account (2009)								
Disciplinary steps/criminal proceedings								
Erroneous payment made to supplier (2010)								
Steps taken to recover funds.								
The housing development fund was established according to the Housing Act, 1997.								
The balance consists solely of existing unsecured loans received from the national housing board in accordance with the Housing Act, 1997.								

49. Fruitless and wasteful expenditure

Expenditure was conducted in accordance with Overstrand municipality's supply chain management policy.

The irregular expenditure for legal costs and management of informal settlements costs was resolved to be written off by the ordinary meeting of the council on 29 July 2010.

Expenditure was not incurred in accordance with the supply chain management policy.

49. Fruitless and wasteful expenditure

Expenditure was conducted in accordance with Overstrand municipality's supply chain management policy.

The irregular expenditure for legal costs and management of informal settlements costs was resolved to be written off by the ordinary meeting of the council on 29 July 2010.

Expenditure was not incurred in accordance with the supply chain management policy.

Openning balance	3,268,855	1,460,381	1,051,928	4,175	2,000	12,539,148	(17,753,025)	17,427	3,268,855
Legal costs									
Management of informal settlements									
Procurement quotes									
Short advertisement period									
Approved by council									
Recovering balance									
Fruitless and wasteful expenditure									
Recovered / approved by council									
Disciplinary steps/criminal proceedings									
Payment to fraudulent bank account (2009)									
Erroneous payment made to supplier (2010)									
Steps taken to recover funds.									
The housing development fund was established according to the Housing Act, 1997.									
The balance consists solely of existing unsecured loans received from the national housing board in accordance with the Housing Act, 1997.									

48. Irregular expenditure

Figures in Rand	2009	2010
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Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

Overstrand Municipality

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2009. **Capetown Retirement Fund:**

The statutory valuation performed as at 30 June 2009 revealed that the investment reserve of the fund amounted to R1 171 (30 June 2008: R12 033) million, with a funding level of 100,3% (30 June 2008: 103,3%). The contribution rate paid by the members (9,00%) and the municipalities (18,00%) is sufficient to fund the benefits accruing from the fund in the future.

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2009. **Capetown Pension Fund:**

DEFINED CONTRIBUTION SCHEMES

A contribution rate is paid by the members (7,50%) and municipalities (between 15% and 22%).

No details could be provided for the fund and of any valuation performed. **Local Government Pension Fund:**

The municipalities (15,00% to 20,80%) is sufficient to fund the benefits accruing from the fund in the future. The statutory valuation performed as at 1 July 2007 revealed that the fund had a surplus of R58,4 (1 July 2006: R286,0) million, with a funding level of 110% (1 July 2006: 106%). The contribution rate paid by the members (7,50% to 9,00%) and the municipalities (15,00% to 20,80%) is sufficient to fund the benefits accruing from the fund in the future.

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 1 July 2007. **South African Local Authorities Pension Fund (SALAF):**

The statutory valuation performed as at 30 June 2006 revealed that the fund had a surplus of R0,0 (30 June 2004: R-12,78 million, with a funding level of 100,0% (30 June 2004: 96,5%). The contribution rate paid by the members (7,00%) and the municipalities (13,00%) is sufficient to fund the benefits accruing from the fund in the future.

The scheme is subject to an tri-annual actuarial valuation. The last statutory valuation was performed as at 30 June 2006. **Government Employees Pension Fund (GEPF):**

than the recommended contribution rate of 32,1%. The statutory valuation performed as at 30 June 2008 (R0,0) million. The contribution rate paid by the members (9,00%) and the municipalities (18,00%) is less (30 June 2008: R0,0) million. The contribution rate paid by the members (9,00%) and a solvency reserve with a closing balance of R200,6 million, with a funding level of 100,0% (30 June 2008: 106,5%) and a solvency reserve with a closing balance of R182,7 million. The statutory valuation performed as at 30 June 2009 revealed that the fund had a surplus of R0,0 (30 June 2008: R182,7 million, with a funding level of 100,0% (30 June 2009: 106,5%) and a solvency reserve with a closing balance of R182,7 million. The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2009. **Capetown Pension Fund:**

DEFINED BENEFIT SCHEMES

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation.

The total expense recognised in the Statement of Financial Performance of R6,2 million (2009: R5,6 million) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

Where contributions / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

(i) The same rate of contribution applies to all participating employees and no regard is paid to differences in the membership distribution of the participating employees.

(ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each employer.

(iii) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.

Following reasons:-

Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the

51. Multi-employer retirement benefit information (continued)

Figures in Rand

2010

2009

Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

Overstrand Municipality

and/or municipal officials of Overstrand Municipality.

No municipal funds have been used to purchase 2010 FIFA World Cup tickets and T-shirts for councilors, their spouses, and their spouses' spouses.

53. Use of municipal funds to buy 2010 FIFA World Cup tickets and T-shirts

Refer to page 49 for the statement of comparative information.

52. Statement of comparative information

None of the above mentioned plans are State Plans. Additional text

No details could be provided for the third and/or any visualisation performed.

SANLAM Retirement Fund:

SANLAM AHNUDITY FUND: No details could be provided for the fund and of any valuation performed

No details could be provided for the fund and its any variation permitted.

The statutory variation period is as far as some 2000 members (not less than 5,00%) and Council (not less than 12,00%) is sufficient to fund the benefits accruing from the fund in the future.

The scheme is subject to an tri-annual actuarial valuation. The last statutory valuation was performed as at 30 June 2005.

and the membership fees (2,00% to 7,00%) is sufficient to fund the benefits accruing from the fund in the future, and the majority, with a trading level of 99,6% (1 July 2001; 100,3%), the contribution rate paid by the members (2,00% to 6,00%) actually was satisfied that the fund will continue to be able meet its liabilities.

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 1 July 2008.

the variation performed as at 30 June 2003 revealed that the market value of the fund was £46,930,935 to be in sound financial condition as at 30 June 2007.

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2009.

and distribution of such an investment, performed as in the same case, 2000, increased their own funds and had a funding ratio of 1000000000. The contribution rate paid by the members (13,75%) and Council (15,00%) is sufficient to fund the benefits accruing from the fund in the future.

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2006.

In static budgetary variables pensioned as at 30 June 2008 revised net assets of the fund amounted to R6 842 (30 June 2008: R6 675) million, with funding levels of 100,8% and 131,9% (30 June 2008: 101,1% and 112,2%) for the Share Account and the Pensions Account respectively. The contribution rate paid by the members (9,00%) and the municipalities (18,00%) is sufficient to fund the benefits accruing from the fund in the future.

51. Multi-employer retirement benefit information (continued)

Figures in krad

Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

Overstrand Municipality

Overstrand Municipality

Notes to the Financial Statements

Financial Statements for the Year ended June 30, 2010

54. Distribution losses

2010	2009	2009	2009	2009	2009
Water	Electricity	Electricity	Water	Water	Electricity
% value	% value	% value	% value	% value	% value
2010	2009	2009	2009	2009	2009
5,230,268	9,195,433	9,3%	27,43%	8,281,591	27,25%
4,480,480	8,281,591	10,6%	27,43%	4,480,480	27,25%
2010	2009	2009	2009	2009	2009
Electricity	Water	Electricity	Water	Electricity	Water
% losses	% losses	% losses	% losses	% losses	% losses
54,230,268	9,195,433	9,3%	27,43%	8,281,591	27,25%
Material water losses to the amount of R9 195 433 (27,43%) were incurred as a result of unmetered connections, ageing pipelines infrastructure, burst pipes, old reticulation networks and other leakages as well as unmetered consumers in the municipality like fire and parks services. Alien vegetation infestation in watercourses and catchment areas is also a contributing factor.	Electicity losses amounting to R5 230 268 (9,3%) that were also incurred. This is as a result of technical losses caused by the nature of electricity and the manner of its distribution, via the network, status/condition and age of the network, whether conditions, and load on the system, as well as non-technical losses such as theft and vandalism.	Water Affairs and Forestry. There are possible fraudulent claims in respect of the Working for Water project carried out on behalf of the Department of Water Affairs and Forestry. There is alleged negligence and breach of fiduciary duties by the water services manager resulting in potential fraud and wasteful expenditure of R4 million.	55. Investigations		

There are possible fraudulent claims in respect of the Working for Water project carried out on behalf of the Department of Water Affairs and Forestry. There is alleged negligence and breach of fiduciary duties by the water services manager resulting in potential fraud and wasteful expenditure of R4 million.

55. Investigations

OVERSTRAND MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

52. Statement of comparative and actual information

	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of MFMA)	Virement R'000 (i.t.o. council approved policy)	Final Budget	Actual Outcome	2010		
						Unauthorised Expenditure	Variance	Actual Outcome as % of Final Budget
Financial Performance								
Property rates	120,829,900	-	-	120,829,900	121,922,911	1,093,011	101%	101%
Service charges	293,754,590	-	-	293,754,590	292,633,636	(1,120,954)	100%	100%
Investment Revenue	19,932,000	-	-	19,932,000	5,601,175	4,956,885	88%	25%
Transfers recognised - Operational	37,120,880	-	-	37,120,880	39,962,543	34,890,929	(5,071,614)	87%
Other own revenue	48,237,655	(7,756,634)	-	48,237,655	40,481,021	42,522,180	2,041,159	105%
Total Revenue (excl. capital transfers and contributions)	519,875,025			500,629,229	496,926,541		(3,702,688)	99%
Employee costs	154,736,840	84,650	-	154,821,490	156,843,819	-	2,022,329	101%
Remuneration of councillors	4,821,810	(226,270)	-	4,595,540	4,529,711	-	(65,829)	99%
Debt impairment	2,000,000	-	-	2,000,000	9,507,272	-	7,507,272	475%
Depreciation & asset impairment	36,348,990	72,401,531	-	108,750,521	101,259,706	-	(7,490,815)	93%
Finance charges	21,375,813	(4,895,542)	-	16,480,271	19,294,616	-	2,814,345	117%
Bulk purchases	81,800,080	(515,080)	-	81,285,000	78,005,898	-	(3,279,102)	96%
Transfers and grants	14,000,000	-	-	14,000,000	11,817,760	-	(2,182,240)	84%
Other expenditure	203,164,460	(154,398)	-	203,010,062	174,213,763	-	(28,796,299)	86%
Total Expenditure	518,247,993	66,694,891		584,942,884	555,472,545		(29,470,339)	95%
Surplus (Deficit)	1,627,032	(85,940,687)		(84,313,655)	(58,546,004)		25,767,651	69%
Transfers recognised - capital	38,062,120	(13,422,222)	-	24,639,898	21,761,245	-	(2,878,653)	88%
Contributions recognised - capital and contributed assets	-	-	-	-	-	-	-	57%
Surplus/(Deficit) after capital transfers & contributions	39,689,152	(99,362,909)		(59,673,757)	(36,784,759)		22,888,998	62%
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-33%
Surplus (Deficit) for the year	39,689,152	(99,362,909)		(59,673,757)	(36,784,759)		22,888,998	62%
								-33%

OVERSTRAND MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

52. Statement of comparative and actual information

2010							
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of MFMA)	Virement R900 (i.t.o. council approved policy)	Final Budget	Actual Outcome	Unauthorised Expenditure	Variance
Capital expenditure and funds sources							
Total capital expenditure	162,326,820	(48,377,177)	-	113,949,643	108,844,795	-	(5,104,848)
Transfers recognised - capital	38,062,120	(13,422,222)	-	24,639,898	21,761,245	-	(2,878,653)
Public contributions & donations	-	-	-	70,000,000	70,000,000	-	-
Borrowing	70,000,000	-	-	19,309,745	17,083,550	-	(2,226,195)
Internally generated funds	54,264,700	(34,954,955)	-	-	-	-	88%
Total Capital Funding	162,326,820	(48,377,177)	-	113,949,643	108,844,795	-	(5,104,848)
Cash flows							
Net cash from (used) operating	70,172,002	(4,134,615)	-	66,037,387	62,672,148	-	(3,365,239)
Net cash from (used) investing	(118,782,417)	-	-	(118,782,417)	(111,950,557)	-	6,831,860
Net cash from (used) financing	60,915,573	-	-	60,915,573	57,041,819	-	(3,873,754)
Cash/cash equivalents at the year end	12,305,158	(4,134,615)	-	8,170,543	7,763,410	-	(407,133)
							95%
							63%

OVERSTRAND MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Note 47: Deviations from supply chain management regulations (... continued from pg 44)

TENDERS AND QUOTATIONS DEVIATIONS FOR THE PERIOD 1 JULY 2009 TO 30 JUNE 2010

TENDER NO	Date Awarded	Deviations	Description	Area	Awarded to	Operational	Capital
SC423d/2008	08/07/2009	SCM Reg 36(1)(a)(v)	Additional Security Services Onrus Caravan Park	Onrus Caravan	Andy's Low Profile	24,000.00	
SC601a/2009	15/07/2009	SCM Reg 36(1)(a)(v)	Cleaning of Ablution Facilities	Zwelinile	Noni & Sons Transport & Projects	72,250.00	
SC897/2009	03/07/2009	SCM Reg 36(1)(a)(v)	Repair enjin CEM 11348	Hermanus	Worcester Enjin Sentrum	14,650.00	
SC702/2009	08/07/2009	SCM Reg 36(1)(a)(ii)	Anti-Corruption Workshop	Oversstrand	Spartan Forensic Services	19,000.00	
SC702a/2009	31/07/2009	SCM Reg 36(1)(a)(ii)	Anti-Corruption Workshop	Oversstrand	Sharkan Forensic Services	19,000.00	
SC706/2009	16/07/2009	SCM Reg 36(1)(a)(v)	Accommodation four Traffic Officers attending Gente Louw College	Oversstrand	Silver Protea Accommodation	43,877.19	
SC707/2009	16/07/2009	SCM Reg 36(1)(a)(ii)	Training of four traffic officers at Gente Louw Traffic College	Oversstrand	Gente Louw Traffic College	16,055.86	
SC716/2009	11/08/2009	SCM Reg 36(1)(a)(v)	Purchase of Blumen	Gansbaai	Tosas (Pty) Ltd	24,600.00	
SC722/2009	14/08/2009	SCM Reg 36(1)(a)(ii)	Repairs to CEM 12879	Oversstrand	Fire Raiders Cape (Pty) Ltd	53,930.23	
SC730/2009	02/09/2009	SCM Reg 36(1)(a)(v)	Promoting community based initiatives	Oversstrand	Oversstrand Foundation	25,000.00	
SC731/2009	01/09/2009	SCM Reg 36(1)(a)(ii)	Blue flag beach registration fees	Oversstrand	Wild Life & Environmental Soc	33,000.00	
SC736/2009	11/09/2009	SCM Reg 36(1)(a)(ii)	Repair to Radio's	Oversstrand	Benilekor Communications	15,838.00	
SC736a/2009	15/09/2009	SCM Reg 36(1)(a)(ii)	Repair to Radio's	Oversstrand	Benilekor Communications	10,374.00	
SC739/2009	11/09/2009	SCM Reg 36(1)(a)(ii)	Repairs to CEM 2869 Tata Fire Brigade	Gansbaai	Africa Truck Sales	16,478.54	
SC727a/2009	23/11/2009	SCM Reg 36(1)(a)(v)	Kleinmond Stores Steel Structure	Kleinmond	J & A engineering Services	3,000.00	
SC742/2009	18/08/2009	SCM Reg 36(1)(a)(ii)	Butterworths Publishers Deedsearch	Oversstrand	Lexis Nexis	12,000.00	
SC747/2009	02/10/2009	SCM Reg 36(1)(a)(v)	SLA Engineering Management Information System	Oversstrand	Water Management Services cc	366,050.00	
SC748/2009	23/09/2009	SCM Reg 36(1)(a)(v)	Repairs to Onrus Main Sewage Pump Station	Hermanus	HSM (Pty) Ltd	153,641.00	
SC758/2009	12/10/2009	SCM Reg 36(1)(a)(ii)	Repairs to ABB Magflow Meters	Hermanus	Pitzen Systems Ltd	49,044.00	
SC766/2009	23/10/2009	SCM Reg 36(1)(a)(v)	Repairs to pumps at Sewerage and water treatment plants	Hermanus	HM Irrigation cc	36,869.46	
SC767/2009	23/10/2009	SCM Reg 36(1)(a)(ii)	Workshop: Lifting Tackle Inspection	Overstrand	Micromega Professional Risk Solutions	33,600.00	
SC774/2009	03/11/2009	SCM Reg 36(1)(a)(v)	Upgrades EMS System Overtime related controls	Oversstrand	Water Management Services	17,662.50	
SC775/2009	03/11/2009	SCM Reg 36(1)(a)(ii)	UV/Lamps for SMP 250-200-4 6kw	Kleinmond	Nine Kings CC	21,580.00	
SC776/2009	05/11/2009	SCM Reg 36(1)(a)(ii)	Repair of telemetry system	Gansbaai	Spectrum Communications	21,455.00	
SC777a/2009	16/11/2009	SCM Reg 36(1)(a)(i)	Waste Water Treatment Plant Refurbishment of 2 electric motors	Hermanus	J. Schipper & Sons	15,843.44	
SC777b/2009	16/11/2009	SCM Reg 36(1)(a)(i)	Waste Water Treatment Plant Refurbishment of Hansen	Hermanus	SEW Eurodrive	76,559.12	
SC777c/2009	16/11/2009	SCM Reg 36(1)(a)(i)	Waste Water Treatment Plant Refurbishment of 4 electric motors	Hermanus	J. Schipper & Sons	10,539.30	
SC777d/2009	16/11/2009	SCM Reg 36(1)(a)(i)	Waste Water Treatment Plant Refurbishment of Hansen	Hermanus	TGS (Transmission Gear Services Cape)	49,294.00	
SC777e/2009	22/12/2009	SCM Reg 36(1)(a)(i)	Waste Water Treatment Plant Install Aerators	Hermanus	Water & Sanitation Services SA	15,587.74	
SC777f/2009	22/12/2009	SCM Reg 36(1)(a)(i)	Waste Water Treatment Plant Refurbishment of 4 Mixers	Hermanus	Water & Sanitation Services SA	9,980.00	
SC777g/2009	22/12/2009	SCM Reg 36(1)(a)(i)	Waste Water Treatment Plant Install 4x Mixers	Hermanus	Water & Sanitation Services SA	7,986.00	
SC777h/2009	22/12/2009	SCM Reg 36(1)(a)(i)	Waste Water Treatment Plant Replace Internal Pumps Preekstoel	Hermanus	Water & Sanitation Services SA	26,277.50	
SC777i/2009	22/12/2009	SCM Reg 36(1)(a)(i)	Waste Water Treatment Plant Replace & Repair Clarifier	Hermanus	Water & Sanitation Services SA	6,371.14	
SC778j/2009	23/11/2009	SCM Reg 36(1)(a)(v)	Overview of Coastal Processes i.t.o. moving dune	Belliesbaai	M Oren	10,000.00	

TENDER NO	Date Awarded	Deviations	Description	Area	Awarded to	Operational	Capital
SC782/2009	16/11/2009	SCM Reg 36(1)(a)(ii),(v)	ProvoGraph - Class B - Voltage quality recorder	Gansbaai	Cr Lab	15,000.00	
SC785/2009	16/12/2009	SCM Reg 36(1)(a)(ii)	Repairs to Heil 4000 Compactor CEM 23618	Hermanus	Transitech	23,192.20	
SC786/2009	20/11/2009	SCM Reg 36(1)(a)(i)	Fire disaster Kleinmond Overstrand	Kleinmond	Overstrand Build It	60,360.96	
SC787/2009	27/11/2009	SCM Reg 32(1)(a)-(d)	Implementation of Basic Performance Management Process	Overstrand	Ignite Advisory Services	310,245.61	
SC788/2009	23/11/2009	SCM Reg 36(1)(a)(ii)	Vacuum pumps for Sewerage Tankers CEM 10616 CEM 4439	CEM 6395	BroomEngineering	44,100.00	
SC789/2009	27/11/2009	SCM Reg 36(1)(a)(v)	Repair Sewerage Pumps	Hermanus & G	Pump Service Centre	2,2806.56	
SC795/2009	10/12/2009	SCM Reg 17(1) c	Water Samples Blue Flag Beaches	Kleinmond	EnviroCare	2,1240.00	
SC796/2009	11/12/2009	SCM Reg 36(1)(a)(ii)	Service, programming, auditing PMAX meters	Overstrand	PJ Technologies	25,155.00	
SC797/2009	11/12/2009	SCM Reg 36(1)(a)(v)	Repair Sewage Pumps different sites	Kleinmond	Pump Service Centre	44,401.09	
SC798/2009	14/12/2009	SCM Reg 36(1)(a)(ii)	Repair Alum flocculation closing station and chlorine	Hermanus	Maxi Projects	18,975.00	
SC799/2009	15/12/2009	SCM Reg 36(1)(a)(ii)	Groupwise Client for Collaborator	Hermanus	Lateral Dynamics	90,000.00	
SC800/2009	15/12/2009	SCM Reg 36(1)(a)(i)	Repair of sludge return sewage pump WWTW	Hermanus	HSM (PTY) Ltd	4,1085.00	
SC801/2009	17/12/2009	SCM Reg 36(1)(a)(v)	Repair ultraviolet installation Kleinmond Sewage Plant	Kleinmond	Nine Kings (PTY) Ltd	34,951.00	
SC802/2009	17/12/2009	SCM Reg 36(1)(a)(v)	Repairs to Stamford Waste Water Treatment Plant	Stamford	G W Traumann cc	44,043.32	
SC806b/2007	28/12/2009	SCM Reg 36(1)(a) v	Repair door-scanners	Overstrand	Supervision Biometric systems	25,988.33	
SC266b/2008	24/11/2009	ExtentitionSC266/2008	Bulk SMS Tool	Overstrand	Super vision (Pty) Ltd	48,000.00	
SC523a/2008	23/03/2010	SCM Reg 36(1)(a)(v)	Upgrade of Pro-Audit Advisor: Training	Overstrand	CQS Technology Holdings (Pty) Ltd	20,000.00	
SC555a/2009	24/02/2010	SCM Reg 36(1)(a)(v)	Socio-Economic data licence	Overstrand	Quanitec Research Pty Ltd	17,544.45	
SC708b/2009	17/03/2010	Extentition SC708/2009	Construction of Sewer Pipeline in Kleinmond	Kleinmond	Peter Starke Civils cc	65,403.80	
SC710/2009	24/07/2009	Sale Agreement	Purchase of erf 730 Hermanus	Hermanus	LCSteyn & CUBleitman	1,831,208.70	
SC711/2009	27/07/2009	SCM Reg 36(1)(a)(v)	Project Admin Kleinmond Harbour Development	Kleinmond	Taylor v Reensburg v d Spuy Trust	80,516.92	
SC712/2009	06/07/2009	SCM Reg 36(1)(a)(i)	Fire Disaster 2 Aug 09 Overhills Kleinmond	Kleinmond	Overstrand Build It (Pty) Ltd	54,298.90	
SC716a/2009	05/03/2010	SCM Reg 36(1)(a)(v)	Purchase of Bitumen	Gansbaai	Tosas (Pty) Ltd	25,550.00	
SC744a/2009	05/02/2010	SCM Reg 36(1)(a)(v)	Lifesaving Services (Kleinmond Lagoon)	Kleinmond	Nationale See & Sand Institut (See & Sand)	16,105.26	
SC777/2009	18/03/2010	SCM Reg 36(1)(a)(v)	Waste Water Treatment Plant 4 x Mixer Gearboxes & Repairs	Hermanus	Water & Sanitation Services SA	106,880.37	
SC777K/2009	23/03/2010	SCM Reg 36(1)(a)(v)	Rebuild Lime Dosing Pump no2 at Hermanus WTW	Hermanus	Water & Sanitation Services SA	35,069.25	
SC777I/2009	23/03/2010	SCM Reg 36(1)(a)(v)	Emergency Repairs to Lime Dosing pump Hermanus WTW	Hermanus	Water & Sanitation Services SA	7,854.50	
SC777m/2009	23/03/2010	SCM Reg 36(1)(a)(v)	Repair Pumps of WTW after flood	Hermanus	Water & Sanitation Services SA	19,536.75	
SC806/2009	06/10/2010	SCM Reg 36(1)(a)(ii)	Rope rescue training	Overstrand	H-Hangle Rescue & Access	29,700.00	
SC810/2010	19/01/2010	SCM Reg 36(1)(a)(ii)	Calibration of vehicle testing equipment	Overstrand	Clifford Technical Services	7,149.12	
SC816/2010	15/01/2010	SCM Reg 36(1)(a)(ii)	Chlorination System Booster Pump Upgrade	Hermanus	Maxi Projects	15,683.90	
SC817/2010	29/01/2010	SCM Reg 36(1)(a) v	Water Management Services : Plantman Module	Overstrand	Water Management Services CC	389,000.00	49000
SC819/2010	04/02/2010	SCM Reg 36(1)(a)(v)	Repair Sludge Return Valve	Hermanus	HSM (PTY) Ltd	38,265.00	
SC820/2010	28/10/2010	SCM Reg 36(1)(a)(ii)	Slurry Dust & Road Stone Tar & Reseal	Gansbaai	Afriat Prima Klipbokers	24,394.38	
SC820a/2010	05/03/2010	SCM Reg 36(1)(a)(ii)	Slurry Dust & Road Stone Tar & Reseal	Gansbaai	Afriat Prima Klipbokers	25,600.10	
SC828/2010	01/03/2010	SCM Reg 36(1)(a)(ii)	TAG Rugby Programme Gansbaai 2010	Gansbaai	TAG Rugby	100,000.00	
SC833/2010	03/03/2010	SCM Reg 36(1)(a)(ii)	Building Services Module	Overstrand	Water Management Services CC		175215
SC835/2010	05/03/2010	SCM Reg 36(1)(a)(v)	MyCity data service for water services monitoring	Overstrand	Flotron Instrumentation Services	22,900.00	
SC824b/2008	25/03/2010	SCM Reg 36(1)(a)(v)	Licence Fee Groupwise Novel	Overstrand	Lateral Dynamics (Pty) Ltd	350,469.00	
SC575a/2009	30/04/2010	SCM Reg 36(1)(a)(v)	Benchmarking Market-related Remuneration M.M. & Section 56	Managers			
SC025a/2006	02/06/2010	SCM Reg 36(1)(a)(v)	Printing of Water & Electricity Accounts	Overstrand	CAB HoldingsPty	244,665.20	
SC845/2010	23/03/2010	SCM Reg 36(1)(a)(ii)	Drivers Licence cards Prodiba Feb 2010	Overstrand	Prodiba (PTY) Ltd	19,252.61	
SC847/2010	26/03/2010	SCM Reg 36(1)(a)(v)	Develop Sandbaai Commonge EIA & Other Studies	Hermanus	Plan Active	16,475.10	
SC848/2010	26/03/2010	SCM Reg 36(1)(a)(v)	Develop Sandbaai Commonge Engineering Services	Hermanus	ICE Group (Pty) Ltd	85,241.90	

TENDER NO	Date Awarded	Deviations	Description	Area	Awarded to	Operational	Capital
SC851/2010	08/04/2010	SCM Reg 36(1)(a)(ii)	Press shaft with brushes Gansbaai WWTW	Gansbaai	G W Trautmann cc	33,192.25	
SC857/2010	21/04/2010	SCM Reg 36(1)(a)(v)	By pass faulty protection relays Still Street	Hermanus	Onlab	24,306.20	
SC858/2010	21/04/2010	SCM Reg 36(1)(a)(ii)	Audit programme & maintenance Emax meters	Overstrand	PJ Technologies	29,025.00	
SC859/2010	21/04/2010	SCM Reg 36(1)(a)(ii)	Repair Transmission CEM 12876	Hermanus	Overberg Agri	26,255.05	
SC861/2010	28/04/2010	SCM Reg 36(1)(a)(ii)	Repair stone for road resurfacing	Gansbaai	Afrimaf Prima Klipbrekers	21,241.00	
SC862/2010	23/04/2010	SCM Reg 36(1)(a)(v)	Repair ultraviolet installation Kleinmond Sewage Plant	Kleinmond	Nine Kings (Pty) Ltd	15,860.88	
SC866/2010	28/04/2010	SCM Reg 36(1)(a)(v)	Contribution for INDABA to Destination Marketing Organisation	Overstrand	DIMO (Desi- nation Marketing Organisation)	50,000.00	
SC868/2010	04/05/2010	SCM Reg 36(1)(a)(ii)	Purchasing of Chemicals	Overstrand	Metsi Chem Ikaa	194,370.00	
SC875/2010	11/05/2010	SCM Reg 36(1)(a)(ii)	Equipment for Gateway well (EC Meters, water level sensor and MyCity Telemetry)	Hermanus	Flotron Instrumentation Services	42,809.00	
SC876/2010	12/05/2010	SCM Reg 36(1)(a)(ii)	Meter audit	Gansbaai	PJ Technologies	26,125.00	
SC877/2010	28/05/2010	SCM Reg 36(1)(a)(ii)	Repair Sewerage Pumps at various sites	Kleinmond	Pump Service Centre	23,582.36	
SC879/2010			Purchase Imagedograph & PQ Recorders	Kleinmond en H C T LAB (Pty) Ltd		299175	
SC880/2010	19/05/2010	SCM Reg 36(1)(a)(v)	Transport of prosthetic whale body ex Noordhoek Beach to Hermanus Central	Hermanus	Imvusa Transport	38,700.00	
SC881/2010	20/05/2010	SCM Reg 36(1)(a)(i)	Helicopter fees for fire fighting Hawston 29 Dec 2009	Hermanus	FFA Aviation	147,422.00	
SC 887/2010	01/06/2010	SCM Reg 36(1)(a)(ii)	Repair & Maintenance of WAP high pressure pumps.	Hermanus	Boland Hoedruksuite	14,939.42	
SC889/2010	25/06/2010	SCM Reg 36(1)(a)(v)	Training to meet National Treasury's minimum competency level	Overstrand	University of Pretoria	356,250.00	
SC891/2010	15/06/2010	SCM Reg 36(1)(a)(v)	Repair Sewerage Pump Palmiet rivier	Kleinmond	Tri-com Africa	20,820.00	
	15/07/2009	SCM Reg 36(1)(a)(ii)	Cable jointing HT cable ends Hawston Kerkstr	Hermanus	Giles Superstension	2,179.00	
	28/07/2009	SCM Reg 36(1)(a)(ii)	Repair HT cable Mariners Village	Hermanus	Giles Superstension	2,338.00	
	21/07/2009	SCM Reg 36(1)(a)(ii)	Repair faulty cable to the provincial hospital	Hermanus	Giles Superstension	2,888.00	
	17/07/2009	SCM Reg 36(1)(a)(ii)	Slurry Dust for the repair of streets	Gansbaai	Afrimaf (Prima Klipbrekers)	4,905.63	
	22/07/2009	SCM Reg 36(1)(a)(ii)	ISS Forms	Overstrand	Prodiba Pty Ltd	6,108.00	
	27/07/2009	SCM Reg 36(1)(a)(ii)	Repair faulty EC transmitter at GWP01	Hermanus	Flotron Instrumentation Service	6,225.00	
	28/07/2009	SCM Reg 36(1)(a)(ii)	DL Envelopes	Hermanus	SA Post Office	10,530.70	
	17/07/2009	SCM Reg 36(1)(a)(ii)	Service KLEINMOND TELEMETRY	Kleinmond	Spectrum Communications	11,457.00	
	16/07/2009	SCM Reg 36(1)(a)(ii)	New Telephone points Orms Eng offices	Hermanus	GUJMA Ast Holdings	14,480.00	
	22/07/2009	SCM Reg 36(1)(a)(ii)	Repairs to panel at Nerina SIS	Hermanus	ABB SOUTH AFRICA (Pty) Ltd	15,000.00	
	09/07/2009	SCM Reg 36(1)(a)(ii)	Prepaid Envelopes for traffic Dept	Hermanus	SA Post Office	15,796.05	
	28/07/2009	SCM Reg 36(1)(a)(v)	Service CATERPILLAR 428 E – CEM 31789	Kleinmond	Bartoworld Equipment	1,165.15	
	09/07/2009	SCM Reg 36(1)(a)(v)	Repairs CEM15468	Hermanus	Mitsubishi Motors Paarden Eiland	3,758.40	
	09/07/2009	SCM Reg 36(1)(a)(v)	Leak detection Kleinmond	Kleinmond	Detect-a-leak	5,387.50	
	14/07/2009	SCM Reg 36(1)(a)(v)	Repair HAWSTON LT CABLE	Hermanus	Adenco Construction (Pty) Ltd	7,224.50	
	09/07/2009	SCM Reg 36(1)(a)(v)	Service CATERPILLAR 428E CEM 31789	Kleinmond	Bartoworld Equipment	10,047.00	
	31/07/2009	SCM Reg 36(1)(a)(v)	Repairs Grader CEM242i	Hermanus	Bartoworld Equipment	10,404.03	
	20/07/2009	SCM Reg 36(1)(a)(v)	Hydrolic repairs to Nissan UD90 CEM 15338	Hermanus	Hyco Hydraulics and Pneumatics	14,500.00	
	10/07/2009	SCM Reg 36(1)(a)(v)	Duplicate keys Mercedes Benz CAM 9879	Kleinmond	Rola Motors	1,862.44	
	23/07/2009	SCM Reg 36(1)(a)(v)	Alarms Kleinmond traffic office	Kleinmond	Sandown Bay Security CC	4,135.36	
	30/07/2009	SCM Reg 36(1)(a)(v)	Remote control Auditorium lights	Hermanus	Alfe Electrical CC	4,222.68	
	10/07/2009	SCM Reg 36(1)(a)(v)	Trimming and topping and felling of tree	Hermanus	D Fourie	5,087.72	
	23/07/2009	SCM Reg 36(1)(a)(v)	Advertising Onrus Caravan Park	Hermanus	SACCTN	5,300.00	
	22/07/2009	SCM Reg 36(1)(a)(v)	Cat spray to repair roads	Gansbaai	Tosas	10,892.00	
	06/08/2009	SCM Reg 36(1)(a)(ii)	Repair cable main feeders between Golf Club and Kwaaiwater switching stations	Hermanus	Giles Superstension	2,880.00	
	03/08/2009	SCM Reg 36(1)(a)(ii)	Repairs high pressure WA PDX860	Hermanus	Blue Sands Trading 275 BK h/a Boland Hoedruksuite	3,028.70	

TENDER NO	Date Awarded	Deviations	Description	Area	Awarded to	Operational	Capital
17/08/2009	SCM Reg 36(1)(a)(ii)	Replace bushes on compactor at sewage works	Gansbaai	GW Trautmann	8.400.00		
04/08/2009	SCM Reg 36(1)(a)(ii)	Grade D driving licences examiner	Hermanus	Gene Louw Traffic College	1.1676.96		
11/08/2009	SCM Reg 36(1)(a)(v)	Hydrolic repairs to FORD FT7610 TRACTOR CEM 9837	Stanford	L.T. de Jager	3.859.65		
18/08/2009	SCM Reg 36(1)(a)(v)	Security guards Gansbaai Stortingsterrein	Gansbaai	Safe Security Systems Gansbaai	6.762.71		
18/08/2009	SCM Reg 36(1)(a)(v)	Security guards Gansbaai Werkspas	Gansbaai	Safe Security Systems Gansbaai	7.540.42		
18/08/2009	SCM Reg 36(1)(a)(v)	Security guards Gansbaai Rioolplaas	Gansbaai	Safe Security Systems Gansbaai	7.540.42		
13/08/2009	SCM Reg 36(1)(a)(v)	Cat spray to repair roads	Gansbaai	Tosas	8.558.00		
21/09/2009	SCM Reg 36(1)(a)(ii)	Repair Proyograph	Gansbaai	CT LAB	2.000.00		
10/09/2009	SCM Reg 36(1)(a)(ii)	Repairs Shack attack pressure unit	Gansbaai	Fire Raiders Cape	2.303.31		
21/09/2009	SCM Reg 36(1)(a)(ii)	Repairs to BEC44 Meters	Gansbaai	MERLIN GERIN SA (CONLOG)	2.397.00		
07/09/2009	SCM Reg 36(1)(a)(ii)	Spy-Yel Quick seals PMD logo & serial no.	Kleinmond	Power Measurement and Distribution	3.250.00		
04/09/2009	SCM Reg 36(1)(a)(ii)	Service Cylinders	Gansbaai	Drager SA	4.350.00		
04/09/2009	SCM Reg 36(1)(a)(ii)	Repair H.P Breathing air comp	Gansbaai	High Pressure Systems	4.522.90		
10/09/2009	SCM Reg 36(1)(a)(ii)	Repairs Trailer CEM 3366	Gansbaai	Fire Raiders Cape	5.532.50		
29/09/2009	SCM Reg 36(1)(a)(ii)	Repairs Wildfire Ultrastriker	Gansbaai	Fire Raiders Cape	6.995.75		
16/09/2009	SCM Reg 36(1)(a)(ii)	Service and repair of telemetry system	Gansbaai	Spectrum Communications	9.400.00		
21/09/2009	SCM Reg 36(1)(a)(ii)	Training and software upgrade	Gansbaai	PJ TECHNOLOGIES	9.881.00		
16/09/2009	SCM Reg 36(1)(a)(v)	Repair P.T.O. SHAFT CEM26581 Tractor	Hermanus	URSUS S.A. (Pty) Ltd	7.506.41		
21/09/2009	SCM Reg 36(1)(a)(v)	Electrical audit services	Gansbaai	Vhukhani Electrical Pty Ltd	2.040.00		
10/09/2009	SCM Reg 36(1)(a)(v)	Supply and install under diggs at Onrus river caravan park	Hermanus	Mr Spike	8.594.74		
12/09/2009	SCM Reg 36(1)(a)(v)	Install and replacement of locks at Cashiers	Gansbaai	Prag Key and Heel Bar	9.357.02		
30/10/2009	SCM Reg 36(1)(a)(ii)	Service KLEINMOND TELEMETRY	Kleinmond	Spectrum Communications	1.928.50		
14/10/2009	SCM Reg 36(1)(a)(ii)	Jakkalsjaer	Hermanus	ASCO Family Trust	2.236.84		
20/10/2009	SCM Reg 36(1)(a)(ii)	Main broom for Duvelo 200 (strataveer masjen)	Hermanus	Uni-Cape Equipment	3.795.00		
30/10/2009	SCM Reg 36(1)(a)(ii)	Repair FR PUMP CEM12879	Gansbaai	Fire Raiders Cape	6.114.37		
30/10/2009	SCM Reg 36(1)(a)(ii)	Repair FR PUMP CEM14827	Gansbaai	Fire Raiders Cape	6.545.00		
07/11/2009	SCM Reg 36(1)(a)(ii)	Telemetry repairs	Gansbaai	Spectrum Communications	8.560.00		
13/11/2009	SCM Reg 36(1)(a)(ii)	Repair TRAILER PUMP & LOCKER CEM3366	Gansbaai	Fire Raiders Cape	11.797.50		
30/10/2009	SCM Reg 36(1)(a)(ii)	Repair FR PUMP CEM8390	Gansbaai	Fire Raiders Cape	14.185.78		
06/11/2009	SCM Reg 36(1)(a)(ii)	Security badges	Overstrand	The Badge Company	14.860.00		
27/11/2009	SCM Reg 36(1)(a)(v)	Repair air conditioner IT Server Room	Hermanus	JM Refrigeration	1.535.09		
07/11/2009	SCM Reg 36(1)(a)(v)	Repairs TOYOTA HILUX CEM5374	Hermanus	Worcester Engineers	2.301.01		
22/11/2009	SCM Reg 36(1)(a)(v)	Repair of Palmiet pumpstation PLC	Kleinmond	WJ Cottier Elekties	3.609.16		
28/11/2009	SCM Reg 36(1)(a)(v)	Repair and strip transmission CAM4022	Kleinmond	Masakhane motor repairs	4.352.00		
29/11/2009	SCM Reg 36(1)(a)(v)	Repairs to sewerage tanker	Kleinmond	Seaymans Spring Works	9.300.00		
30/11/2009	SCM Reg 36(1)(a)(v)	Repair Walker lawnmower	Kleinmond	Josco Services	11.111.67		
09/12/2009	SCM Reg 36(1)(a)(v)	Premix to repair roads	Gansbaai	Tosas	8.420.00		
30/11/2009	SCM Reg 36(1)(a)(v)	Premix to repair roads	Gansbaai	Tosas	9.060.00		
28/10/2009	SCM Reg 36(1)(a)(v)	Road Gravel	Gansbaai	CS Grootewald	1.155.00		
23/10/2009	SCM Reg 36(1)(a)(v)	Road stone 6.7mm and 13.2mm	Hermanus	Afriatik (Prima Klipbrekers)	11.637.00		
27/11/2009	SCM Reg 36(1)(a)(ii)	Repairs to WAP high pressure mackine	Kleinmond	Blue Sands Trading 275 BK Ha	2.082.25		
25/11/2009	SCM Reg 36(1)(a)(ii)	SaBS Cold wearing course	Hermanus	Boland Hoëdrukspuite	4.263.30		
25/11/2009	SCM Reg 36(1)(a)(ii)	SABS Cold wearing course	Hermanus	Much Asphalt	4.263.30		
27/11/2009	SCM Reg 36(1)(a)(v)	Repair and service Caterpillar 428E CEM3789	Kleinmond	Barloworld Equipment	3.830.84		
24/11/2009	SCM Reg 36(1)(a)(v)	Repair exhaust manifolds CY77621	Kleinmond	Pelma Truck Repairs	4.200.00		

TENDER NO	Date Awarded	Deviations	Description	Area	Awarded to	Operational	Capital
27/11/2009	SCM Reg 36(1)(a)(v)	Repair and service Caterpillar CEM19317	Kleinmond	Bartoworld Equipment		10.353.60	
06/11/2009	SCM Reg 36(1)(a)(v)	Disciplinary Hearing Paul De Villiers	Gansbaai	Linda Potgieter		3.878.00	
17/11/2009	SCM Reg 36(1)(a)(v)	Hampers for affected beneficiaries Fire Disaster	Kleinmond	Kleinmond Spear		3.939.15	
04/11/2009	SCM Reg 36(1)(a)(v)	Refreshments Mayoral Function	Hermanus	Food@Hand		7.500.00	
01/11/2009	SCM Reg 36(1)(a)(ii)	Repairs to voice recorder system	Hermanus	Omnilog		3.425.00	
10/12/2009	SCM Reg 36(1)(a)(ii)	SABS Cold wearing course	Hermanus	Much Asphalt		4.346.70	
10/12/2009	SCM Reg 36(1)(a)(ii)	SABS Cold wearing course	Hermanus	Much Asphalt		4.346.70	
10/12/2009	SCM Reg 36(1)(a)(ii)	SABS Cold wearing course	Hermanus	Esteaux Systems (Benilekor)		1.990.00	
02/12/2009	SCM Reg 36(1)(a)(v)	Repairs to radios	Hermanus	Josco Services		5.776.93	
23/12/2009	SCM Reg 36(1)(a)(v)	Repair Walker lawnmower	Kleinmond	Esteaux Systems (Benilekor)		4.642.45	
21/01/2010	SCM Reg 36(1)(a)(v)	Repair and replace faulty radios	Gansbaai	ONLAB Specialist Electro Technology		5.150.00	
21/01/2010	SCM Reg 36(1)(a)(v)	Repair DPU 2000 relays Stillstraat substation	Gansbaai	Esteaux Systems (Benilekor)		6.807.02	
21/01/2010	SCM Reg 36(1)(a)(v)	Repairs Digital repeater	Gansbaai	Fire Raiders Cape		1.389.25	
10/02/2010	SCM Reg 36(1)(a)(ii)	Supply and fit 682 Battery CEM10226 pump 1	Overstrand	Law deed solutions Pty Ltd		3.082.30	
08/02/2010	SCM Reg 36(1)(a)(ii)	Search Works	Hermanus	Truvelo Manufacturers		3.215.42	
15/02/2010	SCM Reg 36(1)(a)(ii)	Tape duct block and cable detector	Hermanus	Seletech		3.330.00	
04/02/2010	SCM Reg 36(1)(a)(ii)	Water analysing Tablets Alum 1 and 2	Hermanus	Much Asphalt		4.426.68	
18/02/2010	SCM Reg 36(1)(a)(ii)	Cold wearing course	Gansbaai	Spectrum Communications		4.987.00	
10/02/2010	SCM Reg 36(1)(a)(ii)	Service and repair of telemetry system	Hermanus	Spectrum Communications		5.200.00	
02/02/2010	SCM Reg 36(1)(a)(ii)	Repair Chlor dosing system WWFTW	Hermanus	Consolidated African Technologies		6.354.00	
02/02/2010	SCM Reg 36(1)(a)(ii)	Repair handhelds	Hermanus	Power Measurement and Distribution		8.125.00	
17/02/2010	SCM Reg 36(1)(a)(ii)	SP1 Spy-Yel Quick seals PMD logo & serial no.	Hermanus	Overstrand	Chief registrar of deeds	9.959.65	
08/02/2010	SCM Reg 36(1)(a)(ii)	Deeds Searches Oct - Dec 2009	Hermanus	Truvelo Manufacturers		11.425.11	
15/02/2010	SCM Reg 36(1)(a)(ii)	Calibration of equipment	Kleinmond	Hyco Hydraulics and Pneumatics		1.592.10	
22/02/2010	SCM Reg 36(1)(a)(v)	Repair hydrolic system CAM31017	Hermanus	Worcester Enjinserium		3.355.60	
10/02/2010	SCM Reg 36(1)(a)(v)	Repairs CEM21823	Hermanus	Hermanus Mower Centre		4.471.82	
08/02/2010	SCM Reg 36(1)(a)(v)	Repair Stihl FS500 bushcutter	Gansbaai	Tata Hermanus		5.179.74	
10/02/2010	SCM Reg 36(1)(a)(v)	Repairs CEM2869	Hermanus	Masakhane motor repairs		10.079.83	
15/02/2010	SCM Reg 36(1)(a)(v)	Repair caterpillar 930 front end loader CAM13541	Gansbaai	Esteaux Systems (Benilekor)		14.290.00	
02/02/2010	SCM Reg 36(1)(a)(v)	Repair faulty radios	Hermanus	Vaal Cape Transmission		15.260.21	
18/02/2010	SCM Reg 36(1)(a)(v)	Repair gearbox CEM 2746	Overstrand	Steers Hermanus		2.964.87	
15/02/2010	SCM Reg 36(1)(a)(v)	Food for officers 31/12/2009	KONSTRUKSIE BK	LOCO GRONDVERSKUIWING & Bio-Systems Distribution		5.811.83	
03/02/2010	SCM Reg 36(1)(a)(v)	Building sand Royal house MP sports ground, Hermanus	Hermanus	Bio-Systems Distribution		9.567.98	
25/02/2010	SCM Reg 36(1)(a)(v)	Control of sulphide sewerage odour BZ20R	Hermanus	Drager SA		610.00	
04/03/2010	SCM Reg 36(1)(a)(ii)	Refill Drager BA cylinders	Gansbaai	Drager SA		2.100.00	
03/03/2010	SCM Reg 36(1)(a)(ii)	Repair and service Drager BA cylinders	Kleinmond	Power Measurement and Distribution		3.250.00	
16/03/2010	SCM Reg 36(1)(a)(ii)	Spy-Yel Quick seals PMD logo & serial no.	Hermanus	Broom Engineering		3.971.00	
09/03/2010	SCM Reg 36(1)(a)(ii)	Parts for vacuum tanks on tankers CEM25152 and CEM4439	Gansbaai	Fire Raiders Cape		4.299.77	
05/03/2010	SCM Reg 36(1)(a)(ii)	Repair and service high pressure trolley unit	Hermanus	Much Asphalt		4.476.66	
02/03/2010	SCM Reg 36(1)(a)(ii)	Cold wearing course	Hermanus	Much Asphalt		4.476.66	
09/03/2010	SCM Reg 36(1)(a)(ii)	Cold wearing course	Hermanus	HSM		4.476.66	
24/03/2010	SCM Reg 36(1)(a)(ii)	Repairs Genset Onrusriver man sewerage pump station	Hermanus	HSM		7.700.00	

TENDER NO	Date Awarded	Deviations	Description	Area	Awarded to	Operational	Capital
17/03/2010		SCM Reg 36(1)(a)(ii)(v)	Service Bernad Pressure relieve valve	Stanford	Macsteel Fluid Control	8.393.80	
17/03/2010		SCM Reg 36(1)(a)(ii)(v)	Tow-in of vehicles	Hermanus	Hermanus Towing	11,906.17	
05/03/2010		SCM Reg 36(1)(a)(v)	Repairs on Tally 6045 line printer	Kleinmond	Imvusa Trading t/a Ribbon Mania	3.750.00	
24/03/2010		SCM Reg 36(1)(a)(v)	Repair Onrus River power generator	Hermanus	Overberg Diesel	4.254.39	
10/03/2010		SCM Reg 36(1)(a)(v)	Service of caterpillar CAM16700	Kleinmond	Barloworld Equipment	12.681.04	
04/03/2010		SCM Reg 36(1)(a)(v)	Service of existing industrial doors	Gansbaai	M&A Industrial doors	1.800.00	
23/03/2010		SCM Reg 36(1)(a)(v)	Repair cable on Kleinbaai main HV feeder	Gansbaai	Giles Superfension	5.000.00	
11/03/2010		SCM Reg 36(1)(a)(v)	Operating of hired power generator Ornus River	H.S.M		7.700.00	
23/03/2010		SCM Reg 36(1)(a)(v)	Fault location on Kleinbaai main HV feeder	Gansbaai	Caltest CC	9.000.00	
13/04/2010		SCM Reg 36(1)(a)(ii)	Purchase Electrode PHC2401-8	Gansbaai	Anatech Instruments Pty Ltd	2.733.60	
07/04/2010		SCM Reg 36(1)(a)(ii)	Service of UPS	Hermanus	UPS Cape t/a AC Digital energy	3.107.50	
06/04/2010		SCM Reg 36(1)(a)(ii)	Service and repair of telemetry system Fisherhaven reservoir	Hermanus	Spectrum Communications	5.160.00	
06/04/2010		SCM Reg 36(1)(a)(v)	Replace foam proportioner housing CEM10226	Gansbaai		5.727.55	
06/04/2010		SCM Reg 36(1)(a)(v)	Repair and service fire fighting equipment CEM2179	Gansbaai	Fire Raiders Cape	6.970.52	
16/04/2010		SCM Reg 36(1)(a)(ii)	Repairs panel Control room Scout camp	Hermanus	HSM	8.948.75	
22/04/2010		SCM Reg 36(1)(a)(ii)	3 Phase PLC prepaid meters	Gansbaai	Landis+Gyr	14.300.00	
08/04/2010		SCM Reg 36(1)(a)(v)	Service digger loader CEM31789	Hermanus	Barloworld Equipment	10.728.85	
16/04/2010		SCM Reg 36(1)(a)(v)	Rewire and replaced burn out switch	Hermanus	Emanate Air	4.000.00	
10/04/2010		SCM Reg 36(1)(a)(v)	Fault location on MV cable	Gansbaai	Caltest CC	5.308.00	
28/04/2010		SCM Reg 36(1)(a)(v)	Faultfinding faulty MV cable	Gansbaai	Caltest CC	5.308.00	
40/183		SCM Reg 36(1)(a)(ii)	Split Meter Gemini PLC	Gansbaai	Landis+Gyr	103.000.00	
07/05/2010		SCM Reg 36(1)(a)(ii)	Cold wearing course	Hermanus	Much Asphalt	4.476.68	
28/05/2010		SCM Reg 36(1)(a)(ii)	Repair WAP high pressure machine	Hermanus	Blue Sands Trading 275 BK ha	7.611.55	
31/05/2010		SCM Reg 36(1)(a)(ii)	Service and repair WAP DX860	Hermanus	Boland Hoëdrupsuite	7.611.85	
06/05/2010		SCM Reg 36(1)(a)(ii)	Pavlings	Overstrand	Pavday	8.295.00	
11/05/2010		SCM Reg 36(1)(a)(ii)	Repair and service fire fighting equipment CEM14227	Gansbaai	Fire Raiders Cape	12.205.85	
11/05/2010		SCM Reg 36(1)(a)(ii)	Drivers licence cards Apr 2010	Gansbaai	Prodiba Pty Ltd	18.314.47	
07/05/2010		SCM Reg 36(1)(a)(ii)	Split Meter Gemini PLC	Gansbaai	Landis+Gyr	49.590.00	
16/05/2010		SCM Reg 36(1)(a)(v)	Repair diesel pump fire truck cem 2653	Gansbaai	Overberg Diesel	6.500.00	
28/05/2010		SCM Reg 36(1)(a)(v)	Repair radios	Gansbaai	Esteaux Systems (Benilekor)	11.771.64	
05/05/2010		SCM Reg 36(1)(a)(v)	Replace isolators of transformer Bergstraat Sandbaai	Hermanus	Power Transformers	2.500.00	
05/05/2010		SCM Reg 36(1)(a)(v)	Supply transformer bushings	Hermanus	Much Asphalt	3.648.30	
07/05/2010		SCM Reg 36(1)(a)(v)	Warm SABS wearing course	Hermanus	Much Asphalt	3.648.30	
07/05/2010		SCM Reg 36(1)(a)(v)	Warm SABS wearing course	Hermanus	Much Asphalt	3.648.30	
07/05/2010		SCM Reg 36(1)(a)(v)	Warm SABS wearing course	Gansbaai	Caltest CC	4.908.00	
28/05/2010		SCM Reg 36(1)(a)(v)	Faulty cable Uilenskraalmond	Gansbaai	Caltest CC	4.908.00	
28/05/2010		SCM Reg 36(1)(a)(v)	Fault location and testing Uilenskraalmond	Boland	Toilet Services	5.350.00	
14/05/2010		SCM Reg 36(1)(a)(v)	Replace one mobile toilet (damaged)	Hermanus	Work Dynamics	12.100.00	
13/05/2010		SCM Reg 36(1)(a)(v)	Market related remuneration SEC56 Managers	Gansbaai	Esteaux Systems (Benilekor)	1.267.50	
02/06/2010		SCM Reg 36(1)(a)(v)	Repair radios	Kleinmond	Hyco Hydraulics and Pneumatics	2.800.00	
14/06/2010		SCM Reg 36(1)(a)(v)	Repairs to hydrolic system CAM11187	Hermanus	Overberg Computers	3.228.07	
02/06/2010		SCM Reg 36(1)(a)(v)	Service and repair Ben-Q projektor	Hermanus	Overberg Diesel	4.125.00	
02/06/2010		SCM Reg 36(1)(a)(v)	Overhaul fuel pump standby generator CEM5898	Gansbaai	Overberg Diesel	4.500.00	
25/06/2010		SCM Reg 36(1)(a)(v)	Repairs to diesel pump CEM11744	Gansbaai	Esteaux Systems (Benilekor)	4.860.00	
27/06/2010		SCM Reg 36(1)(a)(v)	Service and repair of repeater Grootsbos	Gansbaai	Esteaux Systems (Benilekor)	6.280.50	
25/06/2010		SCM Reg 36(1)(a)(v)	Service and repair of repeater Pringlebaai	Gansbaai	Esteaux Systems (Benilekor)	6.280.50	

TENDER NO	Date Awarded	Deviations	Description	Area	Awarded to	Operational	Capital
25/06/2010	SCM Reg 36(1)(a)(v)	500hour Service CEM31339	Gansbaai	Barloworld Equipment	7,895.95		
25/06/2010	SCM Reg 36(1)(a)(v)	Repairs to 914G loader CEM28824	Gansbaai	Barloworld Equipment	14,119.34		
02/06/2010	SCM Reg 36(1)(a)(v)	Movement of Xerox WCs230 Traffic department	Hermanus	Cape Office Machines	565.00		
10/06/2010	SCM Reg 36(1)(a)(v)	Install loudspeaker Motorola kit CEM8390	Hermanus	Esteaux Systems (Beniekor)	1,410.00		
10/06/2010	SCM Reg 36(1)(a)(v)	Install radio CEM110	Gansbaai	Esteaux Systems (Beniekor)	3,394.92		
11/06/2010	SCM Reg 36(1)(a)(v)	Repairs telemetry system water network	Kleinmond	Spectrum Communications	5,303.28		
DEVIATIONS FOR THE PERIOD 1 JULY 2008 TO 30 JUNE 2009						6,359,519.88	2,420,002.50
SCM Reg 36(1)(a)(i)		An emergency (An emergency is an unforeseeable and sudden event with harmful or potentially harmful consequences for the municipality which requires urgent action to address.)					
SCM Reg 36(1)(a)(ii)		Goods or services are produced or available from a single provider only					
SCM Reg 36(1)(a)(iii)		The acquisition of special works of art or historical objects where specifications are difficult to compile					
SCM Reg 36(1)(a)(iv)		Acquisition of animals for zoos and/or nature and game reserves					
SCM Reg 36(1)(a)(v)		Exceptional case where it was impractical or impossible to follow the official procurement processesE					

OVERSTRAND MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

FINANCIAL INSTRUMENTS (Continued)

Liquidity and Interest Risk Tables

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date which the municipality can be required to pay. The table includes both interest and principal cash flows.

Description	Note ref in AFS	Average effective interest Rate %	Total R	Months	1 - 12	1 - 2	2 - 5	More than 5 Years R
					Years	Years	Years	
30 June 2010								
Fixed Interest Rate Instruments	15	10.52%						
			332,961,424	28,058,590	27,971,691	75,819,100	201,112,043	
30 June 2009								
Fixed Interest Rate Instruments	15	10.20%						
			239,463,598	16,666,797	26,725,708	59,153,979	136,917,113	

UNAUDITED APPENDIX A
OVERSTRAND MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2010

	Loan Number	Redeemable Balance at 30/06/2009 R	Received during the period R	Redeemed/ written off during period R	Balance at 30/06/2010 R	Other costs in accordance with MFMA R
ANNUITY LOANS						
ABSA @ 10.440%	4073054262	2024	40,000,000	1,191,324	38,808,676	-
ABSA @ 10.82%	4073923493	2024	42,000,000	1,211,865	40,788,135	-
ABSA @ 10.50%	3029589816	2024	-	1,027,624	68,972,376	-
DBSA @ 9.171%	13535102	2020	3,455,071	314,097	3,140,974	-
DBSA @ 9.171%	13543101	2019	3,009,762	-	273,615	2,736,147
DBSA @ 9.171%	13761101	2020	2,998,558	-	260,744	2,737,814
DBSA @ 12.00%	10450102	2017	822,264	66,034	756,230	-
DBSA @ 8.42%	102169/1	2022	15,883,925	644,250	15,239,675	-
RAND MERCHANT @ 10.219%		2008	8,052,996	8,052,995	1	-
INCA @ 12.82%		2012	10,002,732	2,429,570	7,573,162	-
Total annuity loans		126,225,308	70,000,000	15,472,119	180,753,189	-
TOTAL EXTERNAL LOANS		126,225,308	70,000,000	15,472,119	180,753,189	-

UNAUDITED APPENDIX B
OVERSTRAND MUNICIPALITY: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
30 JUNE 2010

	Cost / Revaluation						Accumulated Depreciation				Carrying Value R
	Opening Balance R	Additions R	Disposals R	Under Construction R	Transfers R	Closing Balance R	Opening Balance R	Depreciation R	Disposals R	Transfers R	
	Land Land	350,071,400	7,437,905	-	-	(64,129)	357,445,176	-	-	-	357,445,176
Buildings											
Operational Buildings	28,157,956	3,591,401	-	-	(150,000)	31,599,357	-	5,329,888	-	(10,000)	5,319,888
Community Buildings	87,671,344	1,942,724	-	-	-	89,614,069	-	-	-	-	89,614,069
	115,829,300	5,534,125	-	-	(150,000)	121,213,426	-	5,329,888	-	(10,000)	5,319,888
Infrastructure											
Roads	1,623,506,488	9,672,141	-	11,088,161	-	1,649,266,789	707,355,134	34,384,624	-	-	741,739,758
Sewerage	606,902,554	3,369,665	-	1,769,362	-	612,041,581	274,809,838	12,607,800	-	-	287,417,638
Electricity	908,175,726	-	-	468,404	-	935,927,575	341,625,442	17,539,764	-	-	359,165,206
Water	1,192,409,117	27,283,445	(3,902,804)	17,923,780	-	1,218,303,553	854,894,361	14,955,397	(3,553,970)	-	576,762,368
Stormwater Drains	185,371,597	11,873,460	-	-	-	191,140,681	131,026,941	1,834,665	-	-	866,295,788
Solid Waste Disposal	33,937,894	5,993,432	-	-	-	39,931,325	3,955,316	1,525,358	-	-	352,007,765
Security measures	18,515,365	5,226,869	-	-	-	23,742,234	7,156,510	7,17,128	-	-	132,861,606
	4,573,818,741	69,188,094	(3,902,804)	31,249,707	-	4,670,353,739	2,320,823,542	83,564,736	(3,553,970)	-	2,400,834,308
Community Assets											
Recreational facilities	94,257,930	127,234	-	-	-	94,385,164	21,621,314	4,528,513	-	-	26,149,827
Other community assets	-	-	-	-	-	-	-	-	-	-	68,235,337
	94,257,930	127,234	-	-	-	94,385,164	21,621,314	4,528,513	-	-	26,149,827
Heritage Assets											
Heritage Assets	66,228,309	-	-	-	-	66,228,309	-	-	-	-	66,228,309
	66,228,309	-	-	-	-	66,228,309	-	-	-	-	66,228,309
Other Assets											
Furniture	1,649,657	272,610	(7,597)	-	-	1,914,670	545,305	227,705	(1,796)	-	771,214
Equipment	7,930,684	1,499,863	(289,920)	-	-	9,140,627	3,271,438	1,296,182	(194,264)	-	4,373,356
Vehicles	45,720,168	-	(93,939)	-	-	45,626,229	10,084,668	6,193,266	(62,461)	-	1,143,456
Inventory	-	-	-	-	-	-	-	-	-	-	4,767,271
	55,300,509	1,772,473	(391,456)	-	-	56,681,526	13,901,411	7,777,153	(258,521)	-	29,410,756
	5,255,506,190	84,059,832	(4,294,260)	31,249,707	(214,129)	5,366,307,340	2,356,346,268	10,140,290	(3,812,491)	(10,000)	2,453,664,067
											2,912,643,274

UNAUDITED APPENDIX B
OVERSTRAND MUNICIPALITY: ANALYSIS OF INTANGIBLE ASSETS
30 JUNE 2010

	Cost / Revaluation						Accumulated Amortisation				Carrying Value	
	Opening Balance	Additions	Disposals	Under Construction	Transfers	Closing Balance	Opening Balance	Depreciation	Disposals	Transfers	Closing Balance	
Intangible assets												
Water rights	R 2,360,000	R 465,030	R 219,695	R -	R -	R 2,360,000	R 465,030	R 2,418	R -	R -	R 2,360,000	
Software and program												
	R 2,825,030	R -	R -	R -	R -	R 3,044,725	R 465,030	R 2,418	R -	R -	R 467,448	
Total	R 5,258,331,220	R 84,059,832	(R 4,294,260)	R 31,249,707	-	R 5,369,346,499	R 2,356,811,297	R 10,142,708	(R 3,812,491)	-	R 2,454,141,514	R 2,915,204,985

UNAUDITED APPENDIX C
OVERSTRAND MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2010

	Cost						Accumulated Depreciation				Carrying Value R	
	Opening Balance R	Additions R	Under Construction R	Disposals R	Transfers R	Closing Balance R	Opening Balance R	Depreciation R	Disposals R	Transfers R		
Finance & Admin	534,984,824	2,900,587	-	(391,456)	(214,129)	537,279,826	17,913,688	13,797,502	(258,521)	(10,000)	31,442,669	
Planning & Development	-	15,903,955	-	-	-	15,903,955	-	-	-	-	15,903,955	
Community & Social Services	82,457,930	127,234	-	-	-	82,585,164	21,621,314	4,495,180	-	-	56,468,670	
Sport & Recreation	5,731,750	1,166,830	-	-	-	6,898,580	3,144,233	-	-	-	3,144,233	
Environmental Protection	77,028,309	-	-	-	-	77,028,309	-	-	-	-	77,028,309	
Waste Management	826,212,045	15,132,181	1,769,362	-	-	843,113,588	409,792,095	15,967,823	-	-	425,759,918	
Road Transport	1,628,506,488	9,672,141	11,088,161	-	-	1,649,286,790	707,355,133	34,384,624	-	-	417,353,670	
Water	1,192,409,117	11,873,460	17,923,780	(3,902,804)	-	1,218,303,553	854,894,361	14,955,397	(3,553,970)	-	907,527,033	
Electricity	908,175,726	27,283,445	468,404	-	-	935,927,575	341,625,441	17,539,764	-	-	352,007,765	
Total	5,255,506,189	84,059,833	31,249,707	(4,284,260)	(214,129)	5,366,307,340	2,356,346,265	101,140,290	(3,812,491)	(10,000)	2,453,664,064	
											2,912,643,276	

UNAUDITED APPENDIX D
OVERSTRAND MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL
PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010

2009 Actual Income R	2009 Actual Expenditure R	2009 Surplus/ (Deficit) R	2010 Actual Income R	2010 Actual Expenditure R	2010 Surplus/ (Deficit) R
			2010 Actual Income R	2010 Actual Expenditure R	2010 Surplus/ (Deficit) R
21,224,879	11,765,290	9,459,589	Executive & Council	23,249,491	44,623,011
131,079,530	52,800,660	78,278,870	Finance & Admin	134,603,786	(21,373,520)
4,626,022	18,834,346	(14,208,324)	Planning & Development	40,334,977	22,421,394
1,479,849	27,915,437	(26,435,588)	Community & Social Services	1,411,181	27,449,245
6,669,363	12,069,735	(5,400,372)	Housing	18,702,679	12,885,732
7,714,877	27,131,402	(19,416,525)	Public Safety	6,399,114	(23,964,286)
5,532,525	14,504,910	(8,972,385)	Sport & Recreation	6,771,298	4,132,768
134,290	4,388,489	(4,254,199)	Environmental Protection	132,744	(22,524,089)
31,651,252	32,140,090	(488,838)	Solid Waste Management	36,401,020	7,720,838
32,056,044	34,655,902	(2,599,858)	Waste Management	43,542,566	(7,588,094)
43,987	48,866,091	(48,822,104)	Road Transport	1,707,411	31,799,478
67,000,042	68,264,022	(1,263,980)	Water	77,420,350	4,601,542
113,210,672	116,436,206	(3,225,534)	Electricity	155,263,687	5,845,525
422,423,332	469,772,580	(47,349,248)	Sub-Total	545,940,304	636,323,197
0	(70,001,560)	70,001,560	Less: Inter-departemental Charges	(80,501,800)	80,501,800
422,423,332	399,771,020	22,652,312	Total	545,940,304	555,821,397
					(9,881,093)

UNAUDITED APPENDIX E(1)
OVERSTRAND MUNICIPALITY: ACTUAL VS. BUDGET (REVENUE AND EXPENDITURE) FOR THE
YEAR ENDED 30 JUNE 2010

	2010		2010		2010 %
	Actual R	Budget R	Variance R	Variance	
REVENUE					
Property rates	121,922,911	120,829,900	1,093,011	1	
Service charges	292,633,636	293,754,590	(1,120,954)	(0)	
Property rates - penalties imposed and collection charges	827,811	940,000	(112,189)	(12)	
Rental Income	5,842,353	6,452,800	(610,447)	(9)	
Public contributions, donated and contributed	8,467,833	17,743,000	(9,275,167)	(52)	
Fines	2,528,628	3,263,800	(735,172)	(23)	
Licences and permits	1,410,817	1,585,300	(174,483)	(11)	
Government grants	56,652,174	63,482,763	(6,830,589)	(11)	
Other income	23,444,737	10,496,121	12,948,616	123	
Interest received- investment	4,956,885	5,601,175	(644,290)	(12)	
Total Revenue	518,687,784	524,149,449	(5,461,665)	(1)	
EXPENDITURE					
Employee related costs	156,843,819	154,821,490	(2,022,329)	(1)	
Remuneration of Councillors	4,529,711	4,595,540	65,829	1	
Depreciation, impairment and amortisation	101,142,706	108,750,521	7,607,815	7	
Impairment loss	117,000	-	(117,000)		
Finance Costs	19,294,616	16,896,771	(2,397,845)	(14)	
Debt impairment	9,507,272	2,000,000	(7,507,272)	(375)	
Repairs and maintenance	48,925,451	52,026,877	3,101,426	6	
Bulk purchases	78,005,896	81,285,000	3,279,104	4	
Contracted services	14,461,156	15,327,513	866,357	6	
Grants and subsidies paid	11,817,760	14,000,000	2,182,240	16	
General expenses - other (including abnormal expenses)	110,827,156	135,239,172	24,412,016	18	
Total Expenditure	555,472,543	584,942,884	29,470,341	5	
Gain on disposal of assets	7,046,456	-	(7,046,456)		
Fair Value Adjustment	19,857,210	-	(19,857,210)		
NET SURPLUS/(DEFICIT) FOR THE YEAR	(9,881,093)	(60,793,435)	(50,912,342)		

UNAUDITED APPENDIX E(2)
OVERSTRAND MUNICIPALITY: ACTUAL VS. BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2010

	2010 Actual R	2010 Budget R	2010 Variance R	2010 Variance %	Explanation of Significant Variances Greater than 5% versus Budget
Land					
Land	-	-	-	0	
Buildings					
Community Buildings	11,920,471	12,063,600	(143,129)	-1%	
Infrastructure					
Roads	18,496,562	18,076,279	420,283	2%	
Sewerage	6,760,682	6,860,070	(99,388)	-1%	
Electricity	26,575,762	28,811,819	(2,236,057)	-8%	Roll over projects to 2010/2011
Water	16,983,788	17,896,408	(912,620)	-5%	
Stormwater drains	7,307,015	7,369,410	(62,395)	-1%	
Solid Waste Disposal	5,993,432	6,273,708	(280,276)	-5%	
Security measures	199,708	199,708	-	0%	
	82,316,949	85,487,402	(3,170,453)	-4%	
Community Assets					
Recreational facilities	1,166,830	1,167,806	(976)	0%	
Low Cost Housing	8,117,567	10,995,220	(2,877,653)	-35%	Earlier project delays
Local Economic Dev.	2,354,103	2,354,103	-	0%	
	11,638,500	14,517,129	(2,878,629)	-36%	
Heritage Assets					
	-	-	-		
Other Assets					
Inventory	589,717	797,369	(207,652)	-35%	Purchases as required
ICT	1,402,450	1,749,173	(346,723)	-25%	Purchases as required
	589,717	797,369	(207,652)	-35%	
Total	106,465,637	112,865,500	(6,399,863)	-6%	

UNAUDITED APPENDIX F

OVERSTRAND MUNICIPALITY: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant and Subsidies Received

UNAUDITED APPENDIX F

OVERSTRAND MUNICIPALITY: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant and Subsidies Received

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts												Grants and Subsidies delayed / withheld	Reason for delay withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March				
FMG	Nat Treasury	500,000	-	-	-	750,000	684,531	-	-	750,000	-	-	-	-	-	Y	
MSG	Nat Treasury	400,000	-	-	-	400,000	397,098	-	-	400,000	-	-	-	-	-	Y	
Library	PAWC	505,419	-	-	-	556,000	505,419	-	-	556,000	-	-	-	-	-	Y	
Community Dev. Workers	PAWC	96,000	-	-	-	96,000	96,000	-	-	96,000	-	-	-	-	-	Y	
Prov Road Subsidy	PAWC	16,000	-	-	-	16,000	-	-	-	16,000	-	-	-	-	-	Y	
Housing Consumer Education	PAWC	150,000	-	-	-	150,000	52,967	-	-	130,345	-	-	-	-	-	Y	
Cleaners Town Competition	PAWC	40,000	-	-	-	-	-	-	-	34,990	-	-	-	-	-	Y	
Social Housing	PAWC	2,176,726	-	-	-	12,392,040	6,132,042	-	-	17,722,670	-	-	-	-	-	Y	
MIG Projects	PAWC	10,058,000	-	-	-	15,894,000	14,188,000	-	-	11,930,655	-	-	-	-	-	Y	
INEG - Electricity	DME	-	-	-	-	1,921,000	-	-	-	1,921,000	-	-	-	-	-	Y	
NDPG - LED	Nat Treasury	-	-	-	-	2,263,663	-	-	-	2,263,663	-	-	-	-	-	Y	
Masimimbane Project	DWA/F	297,000	-	-	-	-	1,031,470	-	-	-	78,016	-	-	-	-	Y	
Muli Purpose Centre	PAWC	-	-	-	-	616,419	-	-	-	-	-	-	-	-	-	Y	
		14,239,145	-	-	-	34,422,703	23,919,946	-	-	35,883,539	-	-	-	-	-		